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FILED

SEP 27 2006

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF HUMBOLDT**

10 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 IN AND FOR THE COUNTY OF HUMBOLDT

12 UNLIMITED JURISDICTION

13 KIP P. WORDEN; MATTHEW ERICKSON;)
14 RONALD L. CROSS; MARK E. McCARTY;)
15 RAUL ARMANDO MANJARREZ R.; and)
16 KIT CHAMBERS on their own behalf and in)
17 the interest of the general public,

18 Plaintiffs,

19 v.

20 SOLID ROCK CONSTRUCTION, INC., a
21 California Corporation; S.J. BURKHARDT,
22 INC., a California Corporation; THE S.J. & B.
23 GROUP, INC., a California Corporation;
24 SAFECO INSURANCE COMPANY OF
25 AMERICA, a Washington Corporation; CITY
26 OF RIO DELL, a municipal organization; and
27 DOES 1 through 200, Inclusive,

28 Defendants.

Case No. **DR 060557**

**FIRST AMENDED COMPLAINT FOR
STATUTORY VIOLATIONS, UNPAID
WAGES, PENALTIES AND
INJUNCTIVE RELIEF FOR:**

1. VIOLATION OF STATUTORY DUTY
FOR BREACH OF LABOR CODE §§ 1194, 1771
& 1774;
2. BREACH OF CONTRACT-THIRD
PARTY BENEFICIARY;
3. LABOR CODE § 203 PENALTY;
4. LABOR CODE § 1194.2 PENALTY
(failure to pay minimum wage);
5. ENFORCEMENT OF STOP NOTICES,
CIVIL CODE §§ 3103 and 3181 through 3184;
6. RECOVERY UNDER PUBLIC WORKS
PAYMENT BONDS, CIVIL CODE §§ 3096 and
3247 through 3252;
7. LABOR CODE § 203.5 PENALTY;
8. LABOR CODE §§ 226.7;
9. UNFAIR BUSINESS PRACTICES [Bus. &
Prof. Code § 17200 et seq. on Behalf of the
General Public]; and
10. UNJUST ENRICHMENT

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I. NATURE OF THE CASE

1. Now come Plaintiffs KIP P. WORDEN; MATTHEW ERICKSON; RONALD L. CROSS; MARK E. McCARTY; RAUL ARMANDO MANJARREZ R.; and KIT CHAMBERS (hereinafter referred to as "Plaintiffs"), individually, and in the interest of the General Public, and allege against Defendants SOLID ROCK CONSTRUCTION, INC., a California Corporation; S.J. BURKHARDT, INC., a California Corporation; THE S.J. & B. GROUP, INC., a California Corporation; SAFECO INSURANCE COMPANY OF AMERICA, a Washington Corporation; CITY OF RIO DELL, a municipal organization; and DOES 1 through 200, inclusive, violations of the California Labor Code, Civil Code, breach of contract, unjust enrichment and Business and Professions Code.

2. This case involves five workers who performed labor on various works of public improvement, or public works construction project, including one called the "Rio Dell Water System Infrastructure Rehabilitation Project 2005" (hereinafter "Rio Dell Water System Project of 2005"), who were not paid the correct prevailing rate of pay ("prevailing wage violation"), were not paid for all hours worked, were not paid overtime wages, were not paid all applicable fringe benefits, and were not authorized or permitted to take 30-minute unpaid meal periods, when they worked five or more hours, or 10-minute unpaid rest breaks every four hours of labor or major fraction thereof.

3. Defendants SOLID ROCK CONSTRUCTION, INC., a California Corporation, and DOES 1 through 25 are collectively identified and referred to as the SOLID ROCK DEFENDANTS. As described below these individuals and entities hired, employed and benefited from the labor of PLAINTIFFS such that they are responsible in whole or in part for the claims made. Claims are made against SOLID ROCK DEFENDANTS on the First through Fourth Causes of Action and Eighth through Tenth Causes of Action only.

4. Defendants S.J. BURKHARDT, INC., a California Corporation; THE S.J. & B. GROUP, INC., a California Corporation and DOES 26-75 are collectively identified and referred to as the GENERAL CONTRACTOR DEFENDANTS. As described below these individuals and

1 entities were the general contractors and are the holders of surety and construction bonds on
2 construction projects wherein PLAINTIFFS performed labor for which they were not properly
3 compensated. Claims are made against GENERAL CONTRACTOR DEFENDANTS on the
4 Fifth and Sixth Causes of Action only.

5 5. Defendants CITY OF RIO DELL, a municipal organization, and Does 76 through
6 100, are collectively identified and referred to as AWARDING BODY DEFENDANTS, are
7 municipal corporations and awarding bodies for some of the public works projects at issue in this
8 Complaint. They have been named as they have retained funds pursuant to timely filed STOP
9 NOTICES that are being enforced in this action. These Defendants are only involved in the fifth
10 cause of action to enforce various STOP NOTICES. Claims are made against AWARDING
11 BODY DEFENDANTS on the Fifth Cause of Action only.

12 6. Defendants SAFECO INSURANCE COMPANY OF AMERICA, a Washington
13 Corporation and DOES 101 through 200, collectively identified and referred to as SURETY
14 BOND DEFENDANTS, are various entities that issued surety and/or construction bonds on jobs
15 in which PLAINTIFFS performed labor, were not paid correctly, and on which timely verified
16 claims were made. Claims are made against SURETY BOND DEFENDANTS on the Sixth and
17 Seventh causes of action only.

18 7. Plaintiffs allege that SOLID ROCK DEFENDANTS failed to properly pay
19 Plaintiffs straight time, overtime and weekend and holiday pay on a work of public improvement
20 subject to California's Prevailing Wage laws. This includes payment for all hours worked,
21 payment at the correct prevailing wage for the classification in question and payment of fringe
22 benefits obligated by California's Prevailing wage laws. Plaintiffs further allege that SOLID
23 ROCK DEFENDANTS failed to authorize or permit PLAINTIFFS to take meal periods and rest
24 breaks as mandated by law and described herein. Plaintiffs seek recovery of unpaid wages,
25 accrued interest and penalties, attorneys' fees and costs.

8. PLAINTIFFS seeks to enforce various Stop Notices, under Civil Code §§ 3103 and 3181 through 3184, to command AWARDING BODY DEFENDANTS, to pay PLAINTIFFS for money retained.

9. PLAINTIFFS seek to enforce claims made against construction bonds issued by SURETY BOND DEFENDANTS and assert claims for penalties based on the manner in which they processed the verified claims.

10. Finally, the employment practices plead as against SOLID ROCK DEFENDANTS are unlawful, contrary to public policy of the State of California, and violate state statutes, including California's Unfair Competition Law (Cal. Business and Professions Code §§ 17200 et seq.), Civil Code §§ 3103 and 3181 through 3184, and California Labor Code §§ 201, 202, 203, 218, 226, 226.7, 510, 1194, 1194.2, 1174, 1174.7 and 1198, and as such are predicate acts for the 9th cause of action.

II. JURISDICTION

11. Plaintiffs bring this action against Defendants pursuant to Civil Code §§ 3103 and 3181 through 3184, California Labor Code §§ 200, 201, 202, 203, 203.1, 203.5, 218, 226, 1194, 1194.2, and 1174; Industrial Welfare Commission (“IWC”) Wage Order 16-2001, and California Business and Professions Code §§ 17200 et seq.

III. VENUE

12. Venue lies in Humboldt County because the construction project at issue is in the County of Humboldt. Defendants', and each of them, liability arises pursuant to the Defendants' employment of Plaintiffs in the County of Humboldt.

IV. PARTIES TO THE ACTION

13. Plaintiffs KIP P. WORDEN; MATTHEW ERICKSON; RONALD L. CROSS; MARK E. McCARTY; RAUL ARMANDO MANJARREZ R.; and KIT CHAMBERS, were and at all relevant times herein are, an individuals over the age of eighteen and residents of California.

14. Plaintiffs are informed and believe and therefore allege, that at all times mentioned herein SOLID ROCK DEFENDANTS were individuals, corporations, or other entities authorized to conduct business in the State of California, doing business as a contractor and or sub-contractor on Public Works Construction projects throughout Northern California.

15. Plaintiffs are informed and believe and therefore allege that SOLID ROCK DEFENDANTS employed Plaintiffs as construction workers on the Rio Dell Water System Project of 2005.

16. Plaintiffs further allege that SOLID ROCK DEFENDANTS employed Plaintiffs on other Public Works Projects in Northern California.

17. Plaintiffs are informed and believe and therefore allege, that at all times mentioned herein certain SOLID ROCK DEFENDANTS are, and at all times mentioned herein were, individuals and residents of California. Plaintiffs are informed and believe and therefore allege that certain SOLID ROCK DEFENDANTS are, and at all relevant times herein were, principals, owners, shareholder and/or officers of SOLID ROCK CONSTRUCTION, INC.

18. Plaintiffs are informed and believe and therefore allege that certain SOLID ROCK DEFENDANTS, and each of them, were at all relevant times herein acting as agents, and/or servants of SOLID ROCK CONSTRUCTION, INC., and in such a position influenced and governed SOLID ROCK CONSTRUCTION, INC. such that a unity of interest between SOLID ROCK CONSTRUCTION, INC. and certain SOLID ROCK DEFENDANTS had ceased to exist.

19. Plaintiffs are informed and believe and therefore allege that certain SOLID ROCK DEFENDANTS, and each of them, were entitled to and did receive a beneficial interest in the proceeds of SOLID ROCK CONSTRUCTION, INC. by entering into the subcontracts and/or contracts for the awarding bodies on the Pubic Works Construction Projects at issue.

1 20. Plaintiffs are informed and believe and therefore allege that certain SOLID ROCK
2 DEFENDANTS, and each of them, operated a single construction company, wherein each was the
3 alter-ego of the other, that a unity of interest exists between them such that in equity any
4 separateness of form should be disregarded to prevent fraud and injustice.

5 21. Plaintiffs are informed and believe and therefore allege that adherence to the
6 separate existence of SOLID ROCK CONSTRUCTION, INC. as entities distinct from certain
7 SOLID ROCK DEFENDANTS, and each of them, would permit an abuse of the corporate
8 privilege and would sanction a fraud in that said defendants, and each of them, while acting as
9 principle owners, shareholders, agents, and/or servants of SOLID ROCK CONSTRUCTION,
10 INC. knowingly performed the following: (1) engaged in wage and hour fraud against employees
11 of SOLID ROCK CONSTRUCTION, INC., including Plaintiffs; (2) acted to conceal the fact that
12 Plaintiffs were not paid prevailing wages by submitting falsified payroll records to the awarding
13 agencies; (3) underbid the subcontracts and/or contracts for the PROJECTS with knowledge that
14 the bid was insufficient to pay Plaintiffs' prevailing wages; and (4) underbid the subcontracts
15 and/or contracts for the PROJECTS in order to gain an unfair advantage over the competition in
16 being awarded the subcontract and/or contract for the PROJECTS. Said defendants' acts or
17 omissions thereby subjected SOLID ROCK DEFENDANTS to criminal and civil liability for its
18 failure to pay minimum prevailing wages, tax fraud, insurance fraud, and numerous other wage
19 and hour violations.

20 22. Plaintiffs are informed and believe and therefore allege that SOLID ROCK
21 DEFENDANTS and each of them, acted in concert to violate wage and hour laws of the State of
22 California as delineated in the preceding paragraph, and as such operated a joint enterprise such
23 that each was the alter-ego of one another. Failure to disregard any separateness between these
24 defendants, and each of them, would promote fraud and injustice.

25 23. Plaintiffs are informed and believe and therefore allege, that at all times mentioned
26 herein S.J. BURKHARDT, INC., a California Corporation; THE S.J. & B. GROUP, INC., a
27 California Corporation and Does 51 through 75 (collectively "GENERAL CONTRACTOR
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1 DEFENDANTS”) were California Corporations, or Officers, Directors, Managers or Stockholders
2 of those corporations, authorized to conduct business in the State of California, doing business as
3 a construction company, with its principle place of business situated in California. GENERAL
4 CONTRACTOR DEFENDANTS were or are the General Contractor on Public Works Projects in
5 which Plaintiffs performed labor.

6 24. Plaintiffs are informed and believe and therefore allege that at all times mentioned
7 herein AWARDING BODY DEFENDANTS, and at all relevant times alleged herein was, a
8 municipal corporation and/or political subdivision, duly organized and existing under the laws of
9 the State of California.

10 25. AWARDING BODY DEFENDANTS, are municipal corporations and awarding
11 bodies for some of the public works projects at issue in this Complaint. They have been named as
12 they have retained funds pursuant to timely filed STOP NOTICES that are being enforced in this
13 action.

14 26. SURETY BOND DEFENDANTS are various entities that issued surety and/or
15 construction bonds on jobs in which PLAINTFFS performed labor, were not paid correctly, and
16 on which timely verified claims were made.

17 27. Plaintiffs are informed and believe and therefore allege that at all times herein
18 mentioned, defendants DOES 1 through 200, and each of them, were at all relevant times herein
19 the agents, servants and/or employees of each and every group of defendants, and that all acts and
20 omissions herein complained of were performed within the course and scope of said employment,
21 service and/or agency and with the consent of each of the defendants. All actions of each
22 defendant herein alleged were ratified and approved by the directors, officers or managing agents
23 of defendants.

24 28. The true names and capacities, whether individual, corporate, associate or otherwise
25 of defendant DOES 1 through 200, inclusive, are unknown to Plaintiffs who therefore sue said
26 defendants by such fictitious names. Plaintiffs will seek leave of court to amend this Complaint to
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show their true names and capacities when the same have been ascertained pursuant to Code Civil Procedure section 474.

V. GENERAL ALLEGATIONS

29. SOLID ROCK DEFENDANTS employed Plaintiffs at various times within the statute of limitations in this action on Public Works Construction Projects, including but not limited to the Rio Dell Water System Infrastructure Rehabilitation Project 2005.

30. SOLID ROCK DEFENDANTS compensated Plaintiffs for their labor at a rate of pay below the prevailing wage rate of pay for the classification of their labor.

31. SOLID ROCK DEFENDANTS did not compensate Plaintiffs for their labor by making any fringe benefit contributions that could offset the prevailing wage rate of pay for the classification of their labor.

32. SOLID ROCK DEFENDANTS did not compensate Plaintiffs for their labor by paying for all hours worked. Specifically, typically SOLID ROCK DEFENDANTS had Plaintiffs and other workers work 10 to 12-hours a day but had workers only write 8 to 10-hours on their time sheets.

33. SOLID ROCK DEFENDANTS did not authorize or permit Plaintiffs to take 30-minute unpaid meal periods when they worked at least 5-hours and did not afford them a second meal when they worked 12-hour shifts.

34. SOLID ROCK DEFENDANTS did not authorize or permit Plaintiffs to take paid 10-minute rest breaks when they worked 4-hours or a major fraction thereof.

35. Based on the failure to pay all wages, Plaintiffs filed various stop notices with AWARDING BODY Defendants on the following projects:

WORKER	PROJECT	AMOUNT
KIP P. WORDEN	Rio Dell Water System Project of 2005	\$29,531.15

MATTHEW ERICKSON	Rio Dell Water System Project of 2005	\$11,357.64
RONALD L. CROSS	Rio Dell Water System Project of 2005	\$13,011.48
MARK E. McCARTY	Rio Dell Water System Project of 2005	\$20,602.25
RAUL ARMANDO MANJARREZ R.	Rio Dell Water System Project of 2005	\$16,799.54
KIT CHAMBERS	Rio Dell Water System Project of 2005	\$9,981.48
TOTAL		\$101,283.54

36. Based on the failure to pay all wages, Plaintiffs filed various Stop Notices with AWARDING BODY DEFENDANTS described above. Based on information and belief, the AWARDING BODY DEFENDANTS retained construction funds and are retaining said funds so that this litigation may determine what amounts are owed to Defendants. As a result, Plaintiffs seek a declaration of rights as to these retained funds with the various AWARDING BODY DEFENDANTS. A true and Correct Copy of these five Stop Notices are attached hereto as Exhibit A.

37. Based on the failure to pay all wages, Plaintiffs filed verified claims against Surety or Bonding companies including SURETY BOND DEFENDANTS. Plaintiffs did so by sending copies of the verified Stop Notice and letters to Rosemary Cisneros, Esq. an attorney for Defendant Safeco Insurance Company of America dated August 1, 2005. Attached as Exhibit B are true and correct copies of these five letters.

VI. FIRST CAUSE OF ACTION

VIOLATION OF STATUTORY DUTY FOR BREACH OF LABOR CODE §§ 1194, 1194.2, 1771 & 1774 On Behalf of Plaintiffs (As Against SOLID ROCK DEFENDANTS)

1 38. Plaintiffs incorporate by reference as though fully set forth herein each of the
2 allegations of Paragraphs 1 through 37.

3 39. At all times mentioned herein, SOLID ROCK DEFENDANTS, and each of them,
4 were subject to the minimum wage requirements of the State of California pursuant to Labor
5 Code § 1194 and prevailing wage laws of the State of California. Pursuant to Labor Code §1194
6 defendants had a duty to pay their employees, including Plaintiffs, not less than the minimum
7 required hourly rate of pay and legal overtime wage.

8 40. The failure to pay the prevailing wage, which is a minimum wage, subjects, SOLID
9 ROCK DEFENDANTS, and each of them, to an assessment of the unpaid wage difference
10 pursuant to Labor Code § 1194.2.

11 41. At all times mentioned herein, defendants were subject to the prevailing wage laws
12 of the State of California pursuant to Labor Code §§ 1771, regarding work undertaken on public
13 construction projects, including work undertaken on the projects listed above. Pursuant to Labor
14 Code §§ 1771 SOLID ROCK DEFENDANTS had a duty to pay their employees on such
15 projects, including Plaintiffs, not less than the general prevailing rate of per diem wages for work
16 of a similar character in the locality in which the public work is performed, and not less than the
17 general prevailing rate of per diem wages for holiday and overtime work.

18 42. At all times mentioned herein, SOLID ROCK DEFENDANTS, and each of them,
19 were subject to the prevailing wage laws of the State of California pursuant to Labor Code §§
20 1774, regarding work undertaken on public construction projects. Pursuant to Labor Code §§
21 1774, SOLID ROCK DEFENDANTS, and each of them, had a duty to pay their employees on
22 such projects, including Plaintiffs, not less than the specific prevailing rates of wages to all
23 workmen employed in the execution of the contract of the PROJECTS.

24 43. Plaintiffs are informed and believe and based thereon contend that the per diem
25 wages and prevailing wages required to be paid pursuant to Labor Code §§ 1194, 1771 and 1774
26 are set forth in annual and semi-annual bulletins published by the California Department of
27 Industrial Relations.

1 44. Plaintiffs' employment periods, hours worked, and trade classifications are based
2 on individual employment as described above and as will be proved at trial.

3 45. Plaintiffs are informed and believe and based thereon contend that Plaintiffs were
4 paid less than the minimum required general prevailing rate of per diem wages for work and less
5 than the minimum required prevailing rate of per diem wages for holiday and overtime work for
6 their work on the PROJECTS as required by Labor Code §§ 1194, 1771 and 1774.

7 46. Plaintiffs are informed and believe and based thereon contend that said defendants,
8 and each of them, violated Labor Code §§ 1194, 1194.2, 1771 and 1774, specifically by failing
9 and refusing to comply with the statutory duty to pay Plaintiffs' prevailing wages as required by
10 the contracts and by statute, or ensure that Plaintiffs were paid prevailing wages as required by the
11 contracts and by statute.

12 47. As a result of SOLID ROCK DEFENDANTS' violation of statutory duties, as more
13 fully set forth above, Plaintiffs earned but were not paid wages in an amount above the
14 jurisdictional limits of this court.

15 48. Plaintiffs seek as earned but were not paid wages the difference between the amount
16 actually paid and the prevailing wage rate as determined by the Director of Industrial Relations.
17 Plaintiffs' audits and investigations are continuing, however, the amounts claimed are above the
18 jurisdictional minimum requirements of this court. Plaintiffs will seek leave of court to amend
19 this Complaint according to proof at the time of trial.

20 49. Plaintiffs are entitled to and therefore request an award of pre-judgment interest on
21 the unpaid wages set forth herein.

22 50. Plaintiffs seeks and are entitled to an assessment of the unpaid minimum wage
23 under Labor Code § 1194.2.

24 51. Plaintiffs have incurred, and will continue to incur, attorneys' fees in the
25 prosecution of this action and therefore demand such reasonable attorneys' fees and costs as set by
26 the court.

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1 **VII. SECOND CAUSE OF ACTION**

2 **BREACH OF CONTRACT -THIRD PARTY BENEFICIARY**

3 **On Behalf of Plaintiffs**

4 **(As Against SOLID ROCK DEFENDANTS)**

5 52. Plaintiffs incorporate by reference as though fully set forth herein each of the
6 allegations of Paragraphs 1 through 51.

7 53. Plaintiffs are informed and believe and based thereon allege that during the relevant
8 time periods mentioned herein, the GENERAL CONTRACTOR DEFENDANTS and
9 AWARDING BODY DEFENDANTS were parties to public works construction written contracts
(hereinafter "the Contracts") for work undertaken on the PROJECTS listed above.

10 54. Plaintiffs are informed and believe and based thereon allege that the Contracts
11 required SOLID ROCK DEFENDANTS, and each of them, to comply with all applicable legal
12 requirements for work undertaken on public works projects and ensure its subcontractors
13 complied with all such laws, including payment of prevailing wages pursuant to Labor Code §§
14 1194 and 1770 et seq. Attached as Exhibit C, and fully integrated herein as if plead in full, is a
15 true and correct copy of the Rio Del Water System Project" contract which requires the payment
16 of prevailing wages.

17 55. Except as excused by the wrongful conduct of defendants, Plaintiffs have performed
18 all conditions required to be performed by Plaintiffs under the Contracts and/or Subcontracts.

19 56. Plaintiffs are informed and believes and based thereon alleges that SOLID ROCK
20 DEFENDANTS, and each of them, breached the Contracts and Subcontracts by failing to pay
21 prevailing wages as required by the Contracts and Subcontracts, and as required by California
22 law, and by failing to submit truthful and accurate Certified Payroll Records to the public bodies
23 awarding the Contracts. Plaintiffs were damaged by the failure of SOLID ROCK
24 DEFENDANTS, and each of them, to pay prevailing wages.

25 57. Plaintiffs have standing as intended third-party beneficiaries of the Contracts and
26 Subcontracts to assert said claims.

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1 58. As a result of SOLID ROCK DEFENDANTS, inclusive, breach of the Contracts
2 and Subcontracts, as more fully set forth herein, Plaintiffs were damaged in an amount above the
3 jurisdictional limits of this court.

4 59. Plaintiffs seek as contractual damages earned but unpaid wages being the difference
5 between the amount paid and the prevailing wage rate as determined by the Director of Industrial
6 Relations. Plaintiffs' audits and investigations are continuing, however, the amounts claimed are
7 above the jurisdictional minimum requirements of this court. Plaintiffs will seek leave of court to
8 amend this Complaint according to proof at the time of trial.

9 60. Plaintiffs are entitled to and therefore request an award of pre-judgment interest on
10 the unpaid wages set forth herein.

11 61. Plaintiffs have incurred, and will continue to incur attorney fees in the prosecution
12 of this action and therefore demand such reasonable attorneys' fees as set by the court. Plaintiffs
13 are informed and believe and based thereon allege that the contracts at issue provided that should
14 a dispute arise in connection with the contract that attorneys fees would be awarded to the
15 prevailing party.

16 62. Plaintiffs have incurred, and will continue to incur, attorneys' fees in the
17 prosecution of this action and therefore demand such reasonable attorneys' fees and costs as set by
18 the court.

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20 **VIII. THIRD CAUSE OF ACTION**

21 **LABOR CODE § 203 PENALTIES**
22 **On Behalf of Plaintiffs**
 (As Against SOLID ROCK DEFENDANTS)

23 63. Plaintiffs incorporate by reference as though fully set forth herein each of the
24 allegations of Paragraphs 1 through 62.

25 64. Plaintiffs are former employees of SOLID ROCK DEFENDANTS, who were
26 discharged or quit. Plaintiffs are informed and believe and based thereon allege that defendants
27 owed unpaid wages at the conclusion of his employment.

1 65. Plaintiffs are informed and believe and based thereon allege that he submitted at
2 least two verified claims for wages now due on the PROJECTS.

3 66. Plaintiffs are informed and believe and based thereon allege that within the last four
4 years SOLID ROCK DEFENDANTS, inclusive, and each of them, willfully failed to pay
5 Plaintiffs claim for compensation due to them as set forth above, and as required by Labor Code
6 §201 and §202. Under Labor Code § 203, SOLID ROCK DEFENDANTS, and each of them, are
7 liable to Plaintiffs for a penalty of thirty-day wage at the legally required prevailing wage rate.

8 67. Plaintiffs have incurred, and will continue to incur, attorneys' fees in the
9 prosecution of this action and therefore demand such reasonable attorneys' fees and costs as set by
10 the court.

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12 **IX. FOURTH CAUSE OF ACTION**

13 **LABOR CODE § 1194.2**
14 **On Behalf of Plaintiffs**
 (As Against SOLID ROCK DEFENDANTS)

15 68. Plaintiffs incorporate by reference as though fully set forth herein each of the
16 allegations of Paragraphs 1 through 67.

17 69. SOLID ROCK DEFENDANTS failed to pay Plaintiffs the prevailing wage which is
18 a minimum wage under Labor Code § 1194.

19 70. Plaintiffs are entitled to liquidated damages for the failure to pay the minimum
20 wage under Labor Code § 1194.2 in the amount equal to the underpaid wage amount as SOLID
21 ROCK DEFENDANTS cannot demonstrate that the failure to pay minimum wage resulted from an
22 omission done in good faith and that they had reasonable grounds for believing that the act or
23 omission was not a violation of any provision of the Labor Code relating to minimum wage, or an
24 order of the commission.

25 71. Plaintiffs have incurred, and will continue to incur, attorneys' fees in the
26 prosecution of this action and therefore demand such reasonable attorneys' fees and costs as set by
27 the court.

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2 **X. FIFTH CAUSE OF ACTION**
3 **ENFORCEMENT OF STOP NOTICES**
4 **On Behalf of Plaintiffs**
5 **(As Against AWARDING BODY DEFENDANTS and GENERAL CONTRACTOR**
6 **DEFENDANTS)**

7 72. Plaintiffs incorporate by reference as though fully set forth herein each of the
8 allegations of Paragraphs 1 through 71.

9 73. Plaintiffs are informed and believe and based thereon allege that AWARDING
10 BODY DEFEDNANTS are, and at all relevant times herein were, the awarding agency for one or
11 more of the PROJECTS plead above.

12 74. AWARDING BODY DEFEDNANTS are sued because they have retained funds on
13 Projects in which Plaintiffs filed Stop Notices.

14 75. Wages for the labor performed by the Plaintiffs on the PROJECTS are due and
15 owing to Plaintiffs.

16 76. Plaintiffs filed verified Stop Notices with AWARDING BODY DEFEDNANTS
17 pursuant to Civil Code §§ 3103 and 3181 through 3184 as evidenced by true and correct copies of
18 letters to the AWARDING BODY DEFEDNANTS attached hereto as Exhibits A and B.

19 77. In filing Stop Notices, Plaintiffs demanded the awarding body defendants withhold
20 sufficient funds to answer the Plaintiffs' claims contained therein.

21 78. The Stop Notice claimants and amounts have been plead above. Copies of said
22 Stop Notices are attached hereto as Exhibit B and incorporated into this Complaint.

23 79. Plaintiffs requested AWARDING BODY DEFEDNANTS withhold additional
24 funds in accordance with California law for the cost of anticipated litigation of the action.
25 Plaintiffs requested Defendants withhold 125% of the Stop Notice amount.

26 80. Plaintiffs are informed and believe and based thereon allege that when the Public
27 Works Administrator of AWARDING BODY DEFEDNANTS received the Stop Notices as
28 previously set forth, AWARDING BODY DEFEDNANTS had in their respective possession funds

1 due or to become due to GENERAL CONTRACTOR DEFENDANTS. Plaintiffs seek relief
2 whereby the Public Works Administrator of AWARDING BODY DEFENDANTS be ordered to
3 release these funds to Plaintiffs.

4 81. Plaintiffs have incurred, and will continue to incur, attorneys' fees and costs in the
5 prosecution of this action and therefore demand such reasonable attorneys' fees and costs as set by
6 the court.

8 **XI. SIXTH CAUSE OF ACTION**

9 **RECOVERY UNDER PUBLIC WORKS PAYMENT BOND** 10 **On Behalf of Plaintiffs** 11 **(As Against GENERAL CONTRACTOR and SURETY DEFENDANTS)**

12 82. Plaintiffs incorporate by reference as though fully set forth herein each of the
13 allegations of Paragraphs 1 through 81.

14 83. Plaintiffs are informed and believe and based thereon allege that contemporaneously
15 with the execution of the Contracts for the PROJECTS that GENERAL CONTRACTOR
16 DEFENDANTS as principal, and SURETY DEFENDANTS, as surety, executed a Payment Bond
17 for Labor and Materials for the purpose of complying with Civil Code §§ 3096 and 3247 through
18 3252, which was thereafter filed with and approved by the respective awarding body. The bond
19 was conditioned, and provided that if GENERAL CONTRACTOR DEFENDANTS or any of
20 their subcontractors, such as SOLID ROCK DEFENDANTS, and each of them, failed to pay for
21 any work or labor performed on the aforementioned projects of any kind, that the surety on the
22 bond would pay the same. Plaintiffs allege that the expiration of the stop notice period for each
23 project or projects covered under the payment bond(s) occurred less than six months prior to the
24 filing of the herein action.

25 84. Plaintiffs are informed and believe and based thereon allege that as a further
26 condition of the payment bond on the PROJECTS, GENERAL CONTRACTOR DEFENDANTS
27 and SURETY DEFENDANTS, and each of them, promised and agreed to pay reasonable
28 attorneys' fees to be fixed by the court in case suit was brought on the bond and undertaking.

1 Attached as Exhibit D is a true and correct copy of the Payment Bond on the Rio Dell Water
2 System Project of 2005.

3 85. A written notice as provided in Civil Code §§ 3227(b) and 3252 was given to the
4 surety and bond principal within 75 days after completion of the improvement. Service of the
5 notice was made under Code § 3227(a) by sending Certified letters with the amounts owed prior
6 to filing this Complaint. No preliminary 20-day notice was given. Based on information and
7 belief, no notice of completion was recorded.

8 86. On or about October 25 and 26, 2004, Plaintiffs made demand on SURETY BOND
9 DEFENDANTS for the amount due and owing, and the aforesaid defendant has failed and
10 refused, and continues to fail and refuse, to pay the amounts demanded, or any amount
11 whatsoever to Plaintiffs.

12 87. Under Civil Code § 3250, Plaintiffs are entitled to an award of reasonable attorneys
13 fees in the sum to be fixed by the Court, for costs of suit, and for prejudgment interest as set by
14 law.

15 88. Plaintiffs are informed and believes and based thereon alleges that there is now due,
16 owing and unpaid from SOLID ROCK DEFENDANTS, and each of them, wages for labor
17 performed on the PROJECTS by Plaintiffs. Plaintiffs seek as damages the difference between the
18 amount paid and the prevailing wage rate as determined by the Director of Industrial Relations.
19 Plaintiffs' audits and investigation are continuing, however, the amounts claimed are above the
20 jurisdictional minimum requirements of this court. Plaintiffs will seek leave of court to amend
21 this Complaint according to proof at the time of trial. Plaintiffs claim said damages, together with
22 interest thereon at the maximum legal rate, according to proof.

23 89. Plaintiffs have incurred, and will continue to incur, attorneys' fees in the
24 prosecution of this action and therefore demand such reasonable attorneys' fees and costs as set by
25 the court.

26 ///

27 ///

1 **XII. SEVENTH CAUSE OF ACTION**

2 **LABOR CODE § 203.5 PENALTIES**
3 **On Behalf of Plaintiffs**
4 **(As Against SURETY DEFENDANTS)**

5 90. Plaintiffs incorporate by reference as though fully set forth herein each of the
6 allegations of Paragraphs 1 through 89.

7 91. Plaintiffs are former employees of SOLID ROCK DEFENDANTS, who were
8 discharged or quit. Plaintiffs are informed and believe and based thereon allege that defendants
9 owed unpaid wages to Plaintiffs at the conclusion of his employment.

10 92. Plaintiffs are informed and believe and based thereon allege that they submitted
11 verified claims for wages now due on the PROJECTS. Plaintiffs are informed and believe and
12 based thereon allege that each verified claim was forwarded to SURETY DEFENDANTS and a
13 demand on the payment of wages due was made.

14 93. Plaintiffs are informed and believe and based thereon allege that within the last four
15 years SOLID ROCK DEFENDANTS and SURETY DEFENDANTS, and each of them, willfully
16 failed to pay Plaintiffs' claims for compensation due to him as set forth above, and as required by
17 Labor Code §201 and §202. Under Labor Code § 203.5, SURETY DEFENDANTS, and each of
18 them, are liable to Plaintiffs for a penalty of thirty-days of wages at the legally required prevailing
19 wage rate.

20 94. Plaintiffs have incurred, and will continue to incur, attorneys' fees in the
21 prosecution of this action and therefore demand such reasonable attorneys' fees and costs as set by
22 the court.

23 **XIII. EIGHTH CAUSE OF ACTION**

24 **(Failure to Afford Mandatory "Rest Breaks" and "30 minute meal periods" as**
25 **Required by Labor Code §§ 226.7 and 1198)**
26 **(As against SOLID ROCK DEFENDANTS)**

27 95. Plaintiffs repeat, re-allege and incorporate by this reference the allegations set forth
28 in paragraphs 1 through 94, inclusive as though fully set forth below.

1 96. California Labor Code § 226.7(b) states:

2 (b) If an employer fails to provide an employee a meal period or rest period
3 in accordance with an applicable order of the Industrial Welfare
4 Commission, the employer shall pay the employee one additional hour of
pay at the employee's regular rate of compensation for each work day that
the meal or rest period is not provided.

5 97. SOLID ROCK DEFENDANTS failed to provide the Plaintiffs with a ten-minute
6 rest period for every 4 hours of work in compliance with Labor Code § 226.7.

7 98. SOLID ROCK DEFENDANTS failed to provide the Plaintiffs with a 30 minute
8 unpaid meal period within the first 5 hours of work in compliance with Labor Code § 226.7.

9 99. As a result of SOLID ROCK DEFENDANTS' failure, Plaintiffs are entitled to
10 recover an amount to be proved at trial, of not less than one additional hour of pay at Plaintiffs'
11 regular rate of compensation for each workday that the meal period was not provided and one
12 additional hour of pay at Plaintiffs' regular rate of compensation for each workday that the rest
13 period was not provided.

14 Wherefore, Plaintiffs pray judgment as set forth herein below.

15
16 **XIV. NINTH CAUSE OF ACTION**

17 **UNFAIR BUSINESS PRACTICES**

18 **(On Behalf of Plaintiffs Individually and in the Interest of the General Public)**
19 **(As against SOLID ROCK DEFENDANTS)**

20 100. Plaintiffs incorporate by reference as though fully set forth herein each of the
allegations of Paragraphs 1 through 99.

21 101. Plaintiffs individually, and in the interest of the general public, are informed and
22 believe and based thereon allege that SOLID ROCK DEFENDANTS, and each of them, engaged
23 in the acts and omissions heretofore alleged for the purpose of depriving their employees of their
24 weekly pay at the minimum wage rate as set by law. Plaintiffs, on behalf of the general public,
25 are further informed and believe and based thereon allege that defendants, and each of them have
26 also engaged in the acts and omissions heretofore alleged for the purpose of profiting from lower
27 labor costs, employer taxes, workers compensation insurance, employer related expenses, and
28

1 obtaining a deceitful, unlawful or unfair advantage in the competitive bidding for public works
2 construction contracts, all in a scheme to engage in unfair competition, at the expense of the
3 general public and to the detriment of public policy for the lawful construction of public works
4 projects. Said conduct deceived the general public into believing SOLID ROCK DEFENDANTS
5 were legitimate public works contracts and constitutes an Unfair Trade Practice and violates the
6 Unfair Practices Act of the California Business and Professions Code, Section 17200 et seq.

7 102. Plaintiffs, on behalf of the general public, are prosecuting this action in the interest
8 of the general public, to maintain the integrity of public works projects, compliance with public
9 works labor laws and to prevent and deter practices of SOLID ROCK DEFENDANTS, and each
10 of them, which constitute an Unfair Trade Practice as required by California Business &
11 Professions Code, section 17200 et seq.

12 103. Plaintiffs are aggrieved workers and therefore have standing to maintain this action.
13 Moreover, based on information and belief Plaintiffs satisfy the requirements of California
14 Business and Professions Code sections 17203 and 17204 and will be able to comply with
15 California Code of Civil Procedure section 382.

16 104. As a proximate result of the above mentioned acts and omissions of SOLID ROCK
17 DEFENDANTS, and each of them, as previously alleged, the general public and employees of
18 SOLID ROCK DEFENDANTS, and each of them, have been damaged in an amount above the
19 jurisdictional limits of this court.

20 105. Plaintiffs are entitled to and therefore request an award of pre-judgment interest at
21 the maximum legal rate.

22 106. Plaintiffs have incurred, and will continue to incur attorney fees in the prosecution
23 of this action.

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1 **XV. TENTH CAUSE OF ACTION**

2 **UNJUST ENRICHMENT**
3 **On Behalf of Plaintiffs**
4 **(As Against SOLID ROCK DEFENDANTS)**

5 107. Plaintiffs incorporate by reference as though fully set forth herein each of the
6 allegations of Paragraphs 1 through 106.

7 108. SOLID ROCK DEFENDANTS received funds from various public entities, and
8 general contractors and/or subcontractors to pay the prevailing rate of pay on public works
9 construction.

10 109. Said funds were for the benefit of Plaintiffs.

11 110. By failing to pay for all hours worked and overtime on public works construction
12 SOLID ROCK DEFENDANTS unjustly enriched themselves of funds earmarked to Plaintiffs.

13 111. Under equitable principles, SOLID ROCK DEFENDANTS were and are unjustly
14 enriched and SOLID ROCK DEFENDANTS should be required to pay said funds to Plaintiffs.

15 112. Plaintiffs have fulfilled all conditions precedent to receive said funds.

16 **XV. ATTORNEY FEES AND COSTS**

17 113. Enforcement of statutory provisions enacted to protect workers and to ensure proper
18 and prompt payment of wages due to employees is a fundamental public interest in California.
19 Consequently, Plaintiffs' success in this action will result in the enforcement of important rights
20 affecting the public interest and will confer a significant benefit upon the general public. Private
21 enforcement of the rights enumerated herein is necessary as no public agency has pursued
22 enforcement. Plaintiffs are incurring a financial burden in pursuing this action and it would be
23 against the interest of justice to require the payment of any attorney's fees and costs from any
24 recovery that might be obtained herein. As prayed for below, Plaintiffs and his counsel of The
25 Law Offices of Tomas E. Margain are entitled to and seeks an award of attorneys' fees and costs
26 pursuant to Code of Civil Procedure § 1021.5, Labor Code §§ 1194, 1194.2 and other applicable
27 laws.

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XVI. PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for relief as follows:

1. For damages for unpaid compensation according to proof at trial measured as the difference between the prevailing wage rate and the wages paid to Plaintiffs;
2. For General Damages and Special Damages as allowed by law;
3. For pre-judgment and post-judgment interest at the maximum legal rate;
4. For penalties pursuant to Labor Code § 203 in an amount equal to thirty days wages to Plaintiffs measured at the applicable prevailing wage rate;
5. For liquidated damages or an assessment pursuant to Labor Code § 1194.2 in an amount equal to the unpaid prevailing wage amount;
6. For penalties pursuant to Labor Code § 203.5 in an amount equal to thirty days wages to Plaintiffs measured at the applicable prevailing wage rate;
7. For an award of earned but unpaid wages to Plaintiffs under the Unfair Competition Act;
8. For equitable and injunctive relief under the Unfair Competition Act;
9. For an award of earned but unpaid wages to Plaintiffs under theories of Unjust enrichment;
10. For a finding that various Doe Defendants are alter-ego's of named Defendants;
11. For a finding that various Doe Defendants are statutory employer's of Plaintiffs;
12. For a finding that the corporate veil of certain named Defendants should be disregarded as according to proof;
13. For an award of reasonable attorney fees and costs of suit;
14. For an extra hour of pay for each day Plaintiffs were not authorized or permitted to take 30-minute meal periods and/or 10-minute rest breaks.
15. For any and all penalties allowable by law for the alleged conduct; and

1 16. For such other and further relief as the court may deem proper.
2

3 Dated: September 25, 2006

4 LAW OFFICES OF TOMAS E. MARGAIN

5
6
7 By: A handwritten signature in black ink, appearing to read 'Tomas E. Margain', is written over a horizontal line. The signature is stylized with a large initial 'T' and a long, sweeping underline.

8 Tomas E. Margain
9 Attorneys for Plaintiffs
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STOP NOTICE

LEGAL NOTICE TO WITHHOLD CONSTRUCTION FUNDS

(Public or Private Work)

(Per California Civil Code Section 3103)

To: City of Rio Dell
675 WILSON AVE
RIO DELL, CA 95562
(CITY, STATE AND ZIP)

Project: WATER SYSTEM
INFRASTRUCTURE
REHABILITATION
VARIOUS
RIO DELL, CA 95562
(CITY STATE AND ZIP)

TAKE NOTICE THAT

whose address is

KIP WARDEN
620 DAVIS ST. #7
RIO DELL, CA 95562
(CITY, STATE AND ZIP)

has performed labor and furnished materials for a work of improvement described as follows:

AS ABOVE
(NAME AND LOCATION OF THE PROJECT WHERE WORK OR MATERIALS WERE FURNISHED)

The labor and materials furnished by claimant are of the following general kind:

LABOR - OPERATOR, TENDER
(KIND OF LABOR, SERVICES, EQUIPMENT, OR MATERIALS FURNISHED OR AGREED TO BE FURNISHED BY CLAIMANT)

The labor and materials were furnished to or for the following party:

SOLID ROCK CONSTRUCTION, INC.
(NAME OF THE PARTY WHO ORDERED THE WORK OR MATERIALS)

Total value of the whole amount of labor and materials agreed to be furnished is: \$ 29,531¹⁵
The value of the labor and materials furnished to date is: \$ 0
Claimant has been paid the sum of: \$ 0
And there is due, owing and unpaid the sum of: \$ 29,531¹⁵

You are required to set aside sufficient funds to satisfy this claim with interest, court costs and reasonable costs of litigation, as provided by law. You are also notified that claimant claims an equitable lien against any construction funds for this project which are in your hands.

FIRM NAME:

KIP R. WARDEN
(NAME OF STOP NOTICE CLAIMANT)

X By:

Kip R. Warden
(OWNER OR AGENT OF STOP NOTICE CLAIMANT MUST SIGN HERE AND VERIFY BELOW)

VERIFICATION

I, the undersigned, say: I am the _____ the claimant

("PRESIDENT OF," "MANAGER OF," "A PARTNER OF," "OWNER OF," "AGENT OF," ETC.)
named in the foregoing Stop Notice; I have read said Stop Notice and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on JULY 31 2006 at RIO DELL CA
(DATE THIS DOCUMENT WAS SIGNED) (NAME OF CITY AND STATE WHERE NOTICE SIGNED)

x Kip R. Warden
(PERSONAL SIGNATURE OF THE INDIVIDUAL WHO IS SWEARING THAT THE CONTENTS OF STOP NOTICE ARE TRUE)

REQUEST FOR NOTICE OF ELECTION

(Private Works Only)

(Per California Civil Code Section 3159, 3161, or 3162)

If an election is made not to withhold funds pursuant to this stop notice by reason of a payment bond having been recorded in accordance with Sections 3258 or 3162, please send notice of such election and a copy of the bond within 30 days of such election in the enclosed preaddressed stamped envelope. This information must be provided by you under Civil Code Sections 3159, 3161, or 3162.

Signed: _____

(Claimant Must Enclose Self-Addressed Stamped Envelope)

A

STOP NOTICE
LEGAL NOTICE TO WITHHOLD CONSTRUCTION FUNDS
(Public or Private Work)

(Per California Civil Code Section 3103)

To: CITY OF RIO DELL
675 WILSONWOOD AVENUE
RIO DELL, CA 95562
(NAME OF OWNER, PUBLIC BODY OR CONSTRUCTION FUND HOLDER)
(ADDRESS OF OWNER, PUBLIC BODY OR CONSTRUCTION FUND HOLDER)
(CITY, STATE AND ZIP)

Project: WATER SYSTEM
INFRASTRUCTURE RENOV
VARIOUS
RIO DELL, CA 95562
(ADDRESS)
(CITY, STATE AND ZIP)

TAKE NOTICE THAT

whose address is RONALD L. CROSS
875 RIO DELL AVE. RIO DELL, CA 95562
(NAME OF THE PERSON OR FIRM CLAIMING THE STOP NOTICE. LICENSED CONTRACTORS MUST USE THE NAME UNDER WHICH CONTRACTOR'S LICENSE IS ISSUED)
(ADDRESS OF PERSON OR FIRM CLAIMING STOP NOTICE)

has performed labor and furnished materials for a work of improvement described as follows:

AS ABOVE

(NAME AND LOCATION OF THE PROJECT WHERE WORK OR MATERIALS WERE FURNISHED)

The labor and materials furnished by claimant are of the following general kind:

TEAMSTER, LABOR

(KIND OF LABOR, SERVICES, EQUIPMENT, OR MATERIALS FURNISHED OR AGREED TO BE FURNISHED BY CLAIMANT)

The labor and materials were furnished to or for the following party:

SOLID ROCK CONSTRUCTION, INC.

(NAME OF THE PARTY WHO ORDERED THE WORK OR MATERIALS)

Total value of the whole amount of labor and materials agreed to be furnished is:

\$ 13,011⁴⁸

The value of the labor and materials furnished to date is:

\$ 0

Claimant has been paid the sum of:

\$ 0

And there is due, owing and unpaid the sum of:

\$ 13,011⁴⁸

You are required to set aside sufficient funds to satisfy this claim with interest, court costs and reasonable costs of litigation, as provided by law. You are also notified that claimant claims an equitable lien against any construction funds for this project which are in your hands.

FIRM NAME: RONALD L. CROSS

(NAME OF STOP NOTICE CLAIMANT)

Ronald L Cross
(OWNER OR AGENT OF STOP NOTICE CLAIMANT MUST SIGN HERE AND VERIFY BELOW)

VERIFICATION

I, the undersigned, say: I am the _____ the claimant
(PRESIDENT OF, "MANAGER OF," "A PARTNER OF," "OWNER OF," "AGENT OF," ETC.)
named in the foregoing Stop Notice; I have read said Stop Notice and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on JULY 31 2006 at RIO DELL CA

(DATE THIS DOCUMENT WAS SIGNED)

(NAME OF CITY AND STATE WHERE NOTICE SIGNED)

Ronald L Cross
(WHO IS SWEARING THAT THE CONTENTS OF STOP NOTICE ARE TRUE)

REQUEST FOR NOTICE OF ELECTION

(Private Works Only)

(Per California Civil Code Section 3158, 3161, or 3162)

If an election is made not to withhold funds pursuant to this stop notice by reason of a payment bond having been recorded in accordance with Sections 3258 or 3162, please send notice of such election and a copy of the bond within 30 days of such election in the enclosed preaddressed stamped envelope. This information must be provided by you under Civil Code Sections 3158, 3161, or 3162.

Signed: _____

(Claimant must Enclose Self-addressed Stamped Envelope)

STOP NOTICE

LEGAL NOTICE TO WITHHOLD CONSTRUCTION FUNDS

(Public or Private Work)

(Per California Civil Code Section 3103)

To:

CITY OF RIO DELL

675 WILLOWood AVENUE

(ADDRESS FOR PAYMENT TO A BANK OR SAVINGS AND LOAN ASSN., USE ADDRESS OF BRANCH HOLDING FUND)

RIO DELL, CA 95562

(CITY, STATE AND ZIP)

Project: **WATER SYSTEM**

INFRASTRUCTURE RENOV

VARIOUS

RIO DELL, CA 95562

(CITY STATE AND ZIP)

TAKE NOTICE THAT

MATTHEW ERICKSON

whose address is

1919 HANSEN LANE

FORTUNA, CA 95540

has performed labor and furnished materials for a work of improvement described as follows:

AS ABOVE

The labor and materials furnished by claimant are of the following general kind:

OPERATOR, TEAMSTER, LABOR

The labor and materials were furnished to or for the following party:

SOLID ROCK CONSTRUCTION, INC.

Total value of the whole amount of labor and materials agreed to be furnished is: \$ **11,357.64**
The value of the labor and materials furnished to date is: \$ **8.00**
Claimant has been paid the sum of: \$ **2.00**
And there is due, owing and unpaid the sum of: \$ **11,357.64**

You are required to set aside sufficient funds to satisfy this claim with interest, court costs and reasonable costs of litigation, as provided by law. You are also notified that claimant claims an equitable lien against any construction funds for this project which are in your hands.

FIRM NAME:

MATTHEW ERICKSON

(NAME OF STOP NOTICE CLAIMANT)

XBy: **Matt Erickson**
(OWNER OR AGENT OF STOP NOTICE CLAIMANT MUST SIGN HERE AND VERIFY BELOW)

VERIFICATION

I, the undersigned, say: I am the _____ the claimant

named in the foregoing Stop Notice; I have read said Stop Notice and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on **JULY 31 2006** at **RIO DELL CA**

(DATE THIS DOCUMENT WAS SIGNED)

(NAME OF CITY AND STATE WHERE NOTICE SIGNED)

x Matt Erickson

(PERSONAL SIGNATURE OF THE INDIVIDUAL WHO IS SWEARING THAT THE CONTENTS OF STOP NOTICE ARE TRUE)

REQUEST FOR NOTICE OF ELECTION

(Private Works Only)

(Per California Civil Code Section 3159, 3161, or 3162)

If an election is made not to withhold funds pursuant to this stop notice by reason of a payment bond having been recorded in accordance with Sections 3258 or 3162, please send notice of such election and a copy of the bond within 30 days of such election in the enclosed preaddressed stamped envelope. This information must be provided by you under Civil Code Sections 3159, 3161, or 3162.

Signed: _____

(Claimant Must Enclose Self-Addressed Stamped Envelope)

WOLCOTT'S FORM 804 - (price class 3B)

STOP NOTICE - rev. 7-99

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Before you use this form, fill in all blanks, and make whatever changes are appropriate and necessary to your particular transaction. Consult a lawyer if you doubt the form's fitness for your purpose and use. Wolcott's makes no representation or warranty, express or implied, with

STOP NOTICE
LEGAL NOTICE TO WITHHOLD CONSTRUCTION FUNDS
(Public or Private Work)

(Per California Civil Code Section 3103)

To: CITY OF RIO DELL
675 MIDWOOD AVENUE
RIO DELL, CA 95562
(NAME OF OWNER, PUBLIC BODY OR CONSTRUCTION FUND HOLDER)
(ADDRESS SUBJECT TO A BANK OR SAVINGS AND LOAN ASSN., USE ADDRESS OF BRANCH HOLDING FUND)
(CITY, STATE AND ZIP)

Project: WATER SYSTEM
INFRASTRUCTURE REHAB
VARIOUS
RIO DELL, CA 95562
(NAME)
(ADDRESS)
(CITY STATE AND ZIP)

TAKE NOTICE THAT

whose address is

MARK MCCARTY
470 MONUMENT RD.
RIO DELL, CA 95562
AS ABOVE
(NAME OF THE PERSON OR FIRM CLAIMING THE STOP NOTICE. LICENSED CONTRACTORS MUST USE THE NAME UNDER WHICH CONTRACTOR'S LICENSE IS ISSUED)
(ADDRESS OF PERSON OR FIRM CLAIMING STOP NOTICE)
(NAME AND LOCATION OF THE PROJECT WHERE WORK OR MATERIALS WERE FURNISHED)

The labor and materials furnished by claimant are of the following general kind:

TEAMSTER, LABORER
(KIND OF LABOR, SERVICES, EQUIPMENT, OR MATERIALS FURNISHED OR AGREED TO BE FURNISHED BY CLAIMANT)

The labor and materials were furnished to or for the following party:

SOLID ROCK CONSTRUCTION, INC.
(NAME OF THE PARTY WHO ORDERED THE WORK OR MATERIALS)

Total value of the whole amount of labor and materials agreed to be furnished is: \$ 20,602²⁵
The value of the labor and materials furnished to date is: \$ 0
Claimant has been paid the sum of: \$ 0
And there is due, owing and unpaid the sum of: \$ 20,602²⁵

You are required to set aside sufficient funds to satisfy this claim with interest, court costs and reasonable costs of litigation, as provided by law. You are also notified that claimant claims an equitable lien against any construction funds for this project which are in your hands.

FIRM NAME: MARK MCCARTY
(NAME OF STOP NOTICE CLAIMANT)

By: [Signature]
(OWNER OR AGENT OF STOP NOTICE CLAIMANT MUST SIGN HERE AND VERIFY BELOW)

VERIFICATION

I, the undersigned, say: I am the _____ the claimant
named in the foregoing Stop Notice; I have read said Stop Notice and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on AUGUST 7, 2006 at RIO DELL CA
(DATE THIS DOCUMENT WAS SIGNED) (NAME OF CITY AND STATE WHERE NOTICE SIGNED)

[Signature]
(PERSONAL SIGNATURE OF THE INDIVIDUAL WHO IS SWEARING THAT THE CONTENTS OF STOP NOTICE ARE TRUE)

REQUEST FOR NOTICE OF ELECTION

(Private Works Only)

(Per California Civil Code Section 3159, 3161, or 3162)

If an election is made not to withhold funds pursuant to this stop notice by reason of a payment bond having been recorded in accordance with Sections 3258 or 3162, please send notice of such election and a copy of the bond within 30 days of such election in the enclosed preaddressed stamped envelope. This information must be provided by you under Civil Code Sections 3159, 3161, or 3162.

Signed: _____

(Claimant Must Enclose Self-Addressed Stamped Envelope)

STOP NOTICE

LEGAL NOTICE TO WITHHOLD CONSTRUCTION FUNDS

(Public or Private Work)

(Per California Civil Code Section 3103)

To:

CITY OF RIO DELL

675 WILDWOOD AVENUE

RIO DELL, CA 95562

(CITY, STATE AND ZIP)

Project: WATER SYSTEM

INFRASTRUCTURE RENOV

VARIOUS

RIO DELL, CA 95562

(ADDRESS)

(CITY STATE AND ZIP)

TAKE NOTICE THAT

ARMANDO MANJARREZ

whose address is

120 1ST AVENUE

RIO DELL, CA 95562

(ADDRESS OF PERSON OR FIRM CLAIMING STOP NOTICE)

has performed labor and furnished materials for a work of improvement described as follows:

AS ABOVE - VARIOUS

(NAME AND LOCATION OF THE PROJECT WHERE WORK OR MATERIALS WERE FURNISHED)

The labor and materials furnished by claimant are of the following general kind:

TEAMSTER, LABORER

(KIND OF LABOR, SERVICES, EQUIPMENT, OR MATERIALS FURNISHED OR AGREED TO BE FURNISHED BY CLAIMANT)

The labor and materials were furnished to or for the following party:

SOLID ROCK CONSTRUCTION, INC.

(NAME OF THE PARTY WHO ORDERED THE WORK OR MATERIALS)

Total value of the whole amount of labor and materials agreed to be furnished is: \$ 16,799 ^{SE}
The value of the labor and materials furnished to date is: \$ 0
Claimant has been paid the sum of: \$ 0
And there is due, owing and unpaid the sum of: \$ 16,799 ^{SE}

You are required to set aside sufficient funds to satisfy this claim with interest, court costs and reasonable costs of litigation, as provided by law. You are also notified that claimant claims an equitable lien against any construction funds for this project which are in your hands.

FIRM NAME: ARMANDO MANJARREZ

(NAME OF STOP NOTICE CLAIMANT)

By: Armando Manjarrez

(OWNER OR AGENT OF STOP NOTICE CLAIMANT MUST SIGN HERE AND VERIFY BELOW)

VERIFICATION

I, the undersigned, say: I am the _____ the claimant

(PRESIDENT OF, "MANAGER OF," "A PARTNER OF," "OWNER OF," "AGENT OF," ETC.)

named in the foregoing Stop Notice; I have read said Stop Notice and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on AUGUST 7, 2006 at RIO DELL CA

(DATE THIS DOCUMENT WAS SIGNED)

(NAME OF CITY AND STATE WHERE NOTICE SIGNED)

Armando Manjarrez

(PERSONAL SIGNATURE OF THE INDIVIDUAL WHO IS SWEARING THAT THE CONTENTS OF STOP NOTICE ARE TRUE)

REQUEST FOR NOTICE OF ELECTION

(Private Works Only)

(Per California Civil Code Section 3159, 3161, or 3162)

If an election is made not to withhold funds pursuant to this stop notice by reason of a payment bond having been recorded in accordance with Sections 3256 or 3162, please send notice of such election and a copy of the bond within 30 days of such election in the enclosed preaddressed stamped envelope. This information must be provided by you under Civil Code Sections 3159, 3161, or 3162.

Signed: _____

(Claimant Must Enclose Self-Addressed Stamped Envelope)

STOP NOTICE
LEGAL NOTICE TO WITHHOLD CONSTRUCTION FUNDS
(Public or Private Work)

(Per California Civil Code Section 3103)

To: **CITY OF RIO DELL**
675 WILLOWOOD AVENUE
RIO DELL, CA 95562
(NAME OF OWNER, PUBLIC BODY OR CONSTRUCTION FUND HOLDER)
(ADDRESS OF THE BANK OR SAVINGS AND LOAN ASSN. OR ADDRESS OF BRANCH HOLDING FUND)
(CITY, STATE AND ZIP)

Project: **WATER SYSTEM**
INFRASTRUCTURE REHAB
VARIOUS
RIO DELL, CA 95562
(NAME)
(ADDRESS)
(CITY STATE AND ZIP)

TAKE NOTICE THAT

whose address is:

KIT CHAMBERS
6848 GRIZZLY BLUFF RD.
FERNDALE, CA 95536
(NAME OF THE PERSON OR FIRM CLAIMING THE STOP NOTICE. LICENSED CONTRACTORS MUST USE THE NAME UNDER WHICH CONTRACTOR'S LICENSE IS ISSUED)
(ADDRESS OF PERSON OR FIRM CLAIMING STOP NOTICE)

has performed labor and furnished materials for a work of improvement described as follows:

AS ABOVE
(NAME AND LOCATION OF THE PROJECT WHERE WORK OR MATERIALS WERE FURNISHED)

The labor and materials furnished by claimant are of the following general kind:

TEAMSTER, LABOR
(KIND OF LABOR, SERVICES, EQUIPMENT, OR MATERIALS FURNISHED OR AGREED TO BE FURNISHED BY CLAIMANT)

The labor and materials were furnished to or for the following party:

SOLID ROCK CONSTRUCTION, INC.
(NAME OF THE PARTY WHO ORDERED THE WORK OR MATERIALS)

Total value of the whole amount of labor and materials agreed to be furnished is: \$ **9,981.48**
The value of the labor and materials furnished to date is: \$ **0**
Claimant has been paid the sum of: \$ **0**
And there is due, owing and unpaid the sum of: \$ **9,981.48**

You are required to set aside sufficient funds to satisfy this claim with interest, court costs and reasonable costs of litigation, as provided by law. You are also notified that claimant claims an equitable lien against any construction funds for this project which are in your hands.

FIRM NAME: **KIT CHAMBERS**
(NAME OF STOP NOTICE CLAIMANT)

By: **Kt Chambers**
(SIGNATURE OF STOP NOTICE CLAIMANT MUST SIGN HERE AND VERIFY BELOW)

VERIFICATION

I, the undersigned, say: I am the _____ the claimant
named in the foregoing Stop Notice; I have read said Stop Notice and know the contents thereof; the same is true of my own knowledge.
(“PRESIDENT OF,” “MANAGER OF,” “A PARTNER OF,” “OWNER OF,” “AGENT OF,” ETC.)

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.
Executed on **JULY 31 2006** at **RIO DELL CA**
(DATE THIS DOCUMENT WAS SIGNED) (NAME OF CITY AND STATE WHERE NOTICE SIGNED)

REQUEST FOR NOTICE OF ELECTION
(Private Works Only)

(Per California Civil Code Section 3159, 3161, or 3162)

If an election is made not to withhold funds pursuant to this stop notice by reason of a payment bond having been recorded in accordance with Sections 3256 or 3162, please send notice of such election and a copy of the bond within 30 days of such election in the enclosed preaddressed stamped envelope. This information must be provided by you under Civil Code Sections 3159, 3161, or 3162.

Signed: _____

(Claimant Must Enclose Self-Addressed Stamped Envelope)



FOUNDATION FOR FAIR CONTRACTING
"Equity, Integrity, Justice"

VIA FACSIMILE (707) 764-5480/CERTIFIED MAIL - RETURN RECEIPT

August 1, 2006

Graham Hill
City of Rio Dell
675 Wildwood Avenue
Rio Dell, CA 95562

RE: Subcontractor: Solid Rock Construction, Inc.
Prime Contractor: S.J. Burkhardt, Inc.
Project: Water System Infrastructure Rehabilitation
Bonding Company: Safeco Insurance Company of America
Bond No.: 6313681
Worker: Kip R. Worden

Dear Mr. Hill:

Per Civil Code Section 3103, please withhold monies in accordance with the enclosed stop notice filed by a worker on the above project. Please retain said monies until a formal release is filed by the claimant. These matters are currently under investigation.

We will keep you informed of the status of this claim. Please call with questions, comments, or clarifications.

Sincerely,

Craig Sprinkle
Field Representative

Enclosures

Case: 1323EU

cc: Kip R. Worden - Worker

Charles P. Burkhardt, Jr. - S. J. Burkhardt, Inc., Fax: (951) 688-5174

Shannon Stuart - S.J. Burkhardt, Inc., Fax: (951) 688-5174

Richard J. Smith - Solid Rock Construction, Inc., Fax: (530) 284-0894

Rosemary Cisneros, Attorney - Safeco Insurance Company of America

3807 Pasadena Avenue, Suite 150

Sacramento, CA 95821

(916) 487-7871

Fax (916) 487-0306

www.ffcocalifornia.com

JOINT LABOR MANAGEMENT EFFORT



B



FOUNDATION FOR FAIR CONTRACTING
"Equity, Integrity, Justice"

VIA FACSIMILE (707) 764-5480/CERTIFIED MAIL – RETURN RECEIPT

August 1, 2006

Graham Hill
City of Rio Dell
675 Wildwood Avenue
Rio Dell, CA 95562

RE: **Subcontractor:** **Solid Rock Construction, Inc.**
 Prime Contractor: **S.J. Burkhardt, Inc.**
 Project: **Water System Infrastructure Rehabilitation**
 Bonding Company: **Safeco Insurance Company of America**
 Bond No.: **6313681**
 Worker: **Matthew Erickson**

Dear Mr. Hill:

Per Civil Code Section 3103, please withhold monies in accordance with the enclosed stop notice filed by a worker on the above project. Please retain said monies until a formal release is filed by the claimant. These matters are currently under investigation.

We will keep you informed of the status of this claim. Please call with questions, comments, or clarifications.

Sincerely,

Craig Sprinkle
Field Representative

Enclosures

Case: 1323EU

cc: **Matthew Erickson – Worker**
 Charles P. Burkhardt, Jr. – S. J. Burkhardt, Inc., Fax: (951) 688-5174
 Shannon Stuart – S.J. Burkhardt, Inc., Fax: (951) 688-5174
 Richard J. Smith – Solid Rock Construction, Inc., Fax: (530) 284-0894
 Rosemary Cisneros, Attorney – Safeco Insurance Company of America

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JOINT LABOR MANAGEMENT EFFORT



FOUNDATION FOR FAIR CONTRACTING
"Equity, Integrity, Justice"

VIA FACSIMILE (707) 764-5480/CERTIFIED MAIL – RETURN RECEIPT

August 1, 2006

Graham Hill
City of Rio Dell
675 Wildwood Avenue
Rio Dell, CA 95562

RE: Subcontractor: Solid Rock Construction, Inc.
 Prime Contractor: S.J. Burkhardt, Inc.
 Project: Water System Infrastructure Rehabilitation
 Bonding Company: Safeco Insurance Company of America
 Bond No.: 6313681
 Worker: Ronald Cross

Dear Mr. Hill:

Per Civil Code Section 3103, please withhold monies in accordance with the enclosed stop notice filed by a worker on the above project. Please retain said monies until a formal release is filed by the claimant. These matters are currently under investigation.

We will keep you informed of the status of this claim. Please call with questions, comments, or clarifications.

Sincerely,

Craig Sprinkle
Field Representative

Enclosures

Case: 1323EU

cc: Ronald Cross – Worker

Charles P. Burkhardt, Jr. – S. J. Burkhardt, Inc., Fax: (951) 688-5174

Shannon Stuart – S.J. Burkhardt, Inc., Fax: (951) 688-5174

Richard J. Smith – Solid Rock Construction, Inc., Fax: (530) 284-0894

Rosemary Cisneros, Attorney – Safeco Insurance Company of America


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JOINT LABOR MANAGEMENT EFFORT 



FOUNDATION FOR FAIR CONTRACTING
"Equity, Integrity, Justice"

**MARK'S
WORKER
FILE**

VIA FACSIMILE (707) 764-5480/CERTIFIED MAIL - RETURN RECEIPT

August 8, 2006

Graham Hill
City of Rio Dell
675 Wildwood Avenue
Rio Dell, CA 95562

RE: Subcontractor: Solid Rock Construction, Inc.
 Prime Contractor: S.J. Burkhardt, Inc.
 Project: Water System Infrastructure Rehabilitation
 Bonding Company: Safeco Insurance Company of America
 Bond No.: 6313681
 Worker: Mark E. McCarty

Dear Mr. Hill:

Per Civil Code Section 3103, please withhold monies in accordance with the enclosed stop notice filed by a worker on the above project. Please retain said monies until a formal release is filed by the claimant. These matters are currently under investigation.

We will keep you informed of the status of this claim. Please call with questions, comments, or clarifications.

Sincerely,

Craig Sprinkle
Field Representative

Enclosures

Case: 1323EU

cc: Mark E. McCarty -- Worker
 Charles P. Burkhardt, Jr. -- S. J. Burkhardt, Inc., Fax: (951) 688-5174
 Shannon Stuart -- S.J. Burkhardt, Inc., Fax: (951) 688-5174
 Richard J. Smith -- Solid Rock Construction, Inc., Fax: (530) 378-0375

3807 Pasadena Avenue, Suite 150
Sacramento, CA 95821
(916) 487-7871
Fax (916) 487-0306
www.ffccalifornia.com

JOINT LABOR MANAGEMENT EFFORT

**ARMANDO'S
FILE**



FOUNDATION FOR FAIR CONTRACTING
"Equity, Integrity, Justice"

VIA FACSIMILE (707) 764-5480/CERTIFIED MAIL - RETURN RECEIPT

August 8, 2006

Graham Hill
City of Rio Dell
675 Wildwood Avenue
Rio Dell, CA 95562

RE: Subcontractor: Solid Rock Construction, Inc.
Prime Contractor: S.J. Burkhardt, Inc.
Project: Water System Infrastructure Rehabilitation
Bonding Company: Safeco Insurance Company of America
Bond No.: 6313681
Worker: Armando Manjarrez

Dear Mr. Hill:

Per Civil Code Section 3103, please withhold monies in accordance with the enclosed stop notice filed by a worker on the above project. Please retain said monies until a formal release is filed by the claimant. These matters are currently under investigation.

We will keep you informed of the status of this claim. Please call with questions, comments, or clarifications.

Sincerely,

Craig Sprinkle

Craig Sprinkle
Field Representative

Enclosures

Case: 1323EU

cc: Armando Manjarrez - Worker

Charles P. Burkhardt, Jr. - S. J. Burkhardt, Inc., Fax: (951) 688-5174

Shannon Stuart - S.J. Burkhardt, Inc., Fax: (951) 688-5174

Richard J. Smith - Solid Rock Construction, Inc., Fax: (530) 378-0375


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JOINT LABOR MANAGEMENT EFFORT 



FOUNDATION FOR FAIR CONTRACTING
"Equity, Integrity, Justice"

VIA FACSIMILE (707) 764-5480/CERTIFIED MAIL – RETURN RECEIPT

August 1, 2006

Graham Hill
City of Rio Dell
675 Wildwood Avenue
Rio Dell, CA 95562

RE: Subcontractor: Solid Rock Construction, Inc.
 Prime Contractor: S.J. Burkhardt, Inc.
 Project: Water System Infrastructure Rehabilitation
 Bonding Company: Safeco Insurance Company of America
 Bond No.: 6313681
 Worker: Kit Chambers

Dear Mr. Hill:

Per Civil Code Section 3103, please withhold monies in accordance with the enclosed stop notice filed by a worker on the above project. Please retain said monies until a formal release is filed by the claimant. These matters are currently under investigation.

We will keep you informed of the status of this claim. Please call with questions, comments, or clarifications.

Sincerely,

Craig Sprinkle
Field Representative

Enclosures

Case: 1323EU

cc: Kit Chambers – Worker

Charles P. Burkhardt, Jr. – S. J. Burkhardt, Inc., Fax: (951) 688-5174

Shannon Stuart – S.J. Burkhardt, Inc., Fax: (951) 688-5174

Richard J. Smith – Solid Rock Construction, Inc., Fax: (530) 284-0894

Rosemary Cisneros, Attorney – Safeco Insurance Company of America

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Sacramento, CA 95821

(916) 487-7871

Fax (916) 487-0306

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JOINT LABOR MANAGEMENT EFFORT

CONTRACT AGREEMENT

THIS AGREEMENT, MADE THIS 6th day of July, 2005, by and between the City of Rio Dell, hereinafter called "Owner," and SJ&B Group, Inc., doing business as (an individual), or (a partnership), or (a corporation), hereinafter called "Contractor."

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned:

1. The Contractor will commence and complete the construction of Rio Dell Water System Infrastructure Rehabilitation Project 2005.
2. The Contractor will furnish all of the material, supplies, tools, equipment, labor and other services necessary for the construction and completion of the project described herein (except that the City shall pre-purchase the water treatment system components that the Contractor shall install).
3. The Contractor will commence the work required by the Contract Documents within 2 calendar days after the date of the Notice to Proceed and will complete the same within the time provided in Section B-35 of the General Conditions, unless the period for completion is extended otherwise by the Contract Documents.
4. The Contractor agrees to perform all of the work described in the Contract Documents and comply with terms therein for the sum shown in the Bid Schedule and as amended by change order.
5. The Contract Documents consist of the Bidding Requirements, Contract Forms, Conditions of the Contract, the Specifications, and the Plans, including all modifications thereof incorporated into the documents before their execution, and including all other requirements incorporated by specific reference thereto. These form the Contract.
6. The Owner will pay to the Contractor in the manner and at such times as set forth in the General Conditions such amounts as required by the Contract Documents.
7. This Agreement shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.
8. The general prevailing rates of per diem wages shall be paid by the Contractor.

C

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in quadruplicate, each of which shall be deemed an original on the date first above written.

City of Rio Dell
Owner

ATTEST:

(seal)

By Jay Parrish
As authorized by the
Rio Dell City Council

Karen Dunham
City Clerk

THE S J + B GROUP, INC
Contractor (Seal)

By [Signature]

License No.: 761011

Expiration: 4-30-07

BOND NUMBER 6313681
PREMIUM INCLUDED IN PERFORMANCE BOND
EXECUTED IN FOUR COUNTERPARTS

City of Rio Dell
Water System Infrastructure Rehabilitation Project 2005

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS: that

S.J. & B GROUP, INC.

(Name of Contractor)

115 W. LA CADENA DRIVE #200, RIVERSIDE CA 92501

(Address of Contractor)

a CORPORATION, hereinafter
(Corporation, Partnership, or Individual)

called Principal, and SAFECO INSURANCE COMPANY OF AMERICA

(Name of Surety)

120 VANTIS, ALISO VIEJO, CA 92656

(Address of Surety)

hereinafter called Surety, are held and firmly bound unto

CITY OF RIO DELL

(Name of Owner)

675 WILDWOOD AVENUE RIO DEL, CA 95562

(Address of Owner)

hereinafter called Owner, in the penal sum of THREE MILLION EIGHTY-FOUR THOUSAND ONE

HUNDRED SIXTEEN AND NO/100 - - - - - Dollars (\$ 3,084,116.00) in lawful
money of the United States, for the payment of which sum well and truly to be made, we bind
ourselves, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas, the Principal entered into a
certain contract with the Owner, dated 15th day of JUNE, 2005, a copy of which is
hereto attached and made a part hereof for the construction of:

CITY OF RIO DEL WATER SYSTEM INFRASTRUCTURE REHABILITATION PROJECT 2005

NOW, THEREFORE, if the Principal shall promptly make payment to all persons, firms,
subcontractors, and corporations furnishing materials for or performing labor in the prosecution
of the work provided for in such contract, and any authorized extension or modification thereof,
including all amounts due for materials, lubricants, oil, gasoline, coal and coke, repairs on
machinery, equipment and tools, consumed or used in connection with the construction of such

D

City of Rio Dell
Water System Infrastructure Rehabilitation Project 2005

work, and all insurance premiums of said work, and for all wages and fringe benefits of labor, performed in such work, whether by subcontractor or otherwise, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED, FURTHER, that the said Surety for value received hereby stipulated and agrees to no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same shall in any wise affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the work or to the specifications.

PROVIDED, FURTHER, that no final settlement between the Owner and the Contractor shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS WHEREOF, this instrument is executed in 4 counterparts, each one of which shall be deemed an original, this 1st day of JULY, 20 05.

ATTEST:

[Signature]
(Principal) Secretary

S.J. & B GROUP, INC.

Principal

By [Signature]

115 W. LA CADENA DRIVE #200

Address

ALISO VIEJO, CA 92656

Witness as to Principal

Address

ATTEST:

Witness as to Surety

Address

SAFECO INSURANCE COMPANY OF AMERICA

Surety

By [Signature]
Attorney-in-Fact ROSEMARY CISNEROS

120 VANTIS

Address

ALISO VIEJO, CA 92656

NOTE: Date of bond must not be prior to date of Contract. If Contractor is Partnership, all partners should execute bond.

IMPORTANT: Surety companies executing bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State where the project is located.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of CALIFORNIA

County of RIVERSIDE

On JULY 1, 2005 before me, _____
DATE

MICHAEL D. STONG

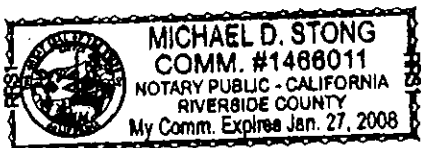
NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared _____

ROSEMARY CISNEROS

NAME(S) OF SIGNER(S)

☒ personally known to me - OR - ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

[Signature]
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)

- ☐ PARTNER(S) ☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

RIVERSIDE

SS.

On

7/1/05

Date

before me,

NOAH FRANK SCHMITZ

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

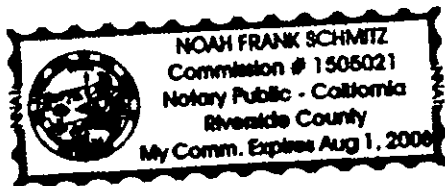
personally appeared

DUANE A. WILKE

Name(s) of Signer(s)

☒ personally known to me

☐ proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

[Signature]
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____

Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- ☐ Individual
- ☐ Corporate Officer — Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney-in-Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer Is Representing: _____



EXHIBIT A

IMPORTANT NOTICE TO SURETY BOND CUSTOMERS REGARDING THE TERRORISM RISK INSURANCE ACT OF 2002

As a surety bond customer of one of the SAFECO insurance companies (SAFECO Insurance Company of America, General Insurance Company of America, First National Insurance Company, American States Insurance Company or American Economy Insurance Company), it is our duty to notify you that the Terrorism Risk Insurance Act of 2002 extends to "surety insurance". This means that under certain circumstances we may be eligible for reimbursement of certain surety bond losses by the United States government under a formula established by this Act.

Under this formula, the United States government pays 90% of losses caused by certified acts of terrorism that exceed a statutorily established deductible to be paid by the insurance company providing the bond. The Act also establishes a \$100 billion cap for the total of all losses to be paid by all insurers for certified acts of terrorism. Losses on some or all of your bonds may be subject to this cap.

This notice does not modify any of the existing terms and conditions of any bonds issued for your account, the underlying agreements guaranteed by those bonds, any statutes governing the terms of those bonds or any generally applicable rules of law.

At this time there is no premium change to any of your bonds resulting from this Act.

Dated: February 24, 2003



POWER
OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98185

No. 6966

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint
*****MICHAEL D. STONG; ROSEMARY CISNEROS; SHAWN BLUME; SUSAN C. MONTEON; Riverside, California*****

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 30th day of June, 2004

CHRISTINE MEAD, SECRETARY

MIKE MCGAVICK, PRESIDENT

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Christine Mead, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 1st day of July, 2005



CHRISTINE MEAD, SECRETARY