

MUZI & ASSOCIATES

Inside This Issue:

<i>License Expirations</i>	1
<i>Get it in Writing</i>	1
<i>Bid Mistake</i>	2
<i>Mechanic's Lien Law</i>	2
<i>Office Forms</i>	3
<i>Employee Safety</i>	3

THE CSLB RESPONDS TO UNJUST LICENSE EXPIRATIONS

Usually, when you turn in your license renewal application with payment to the CSLB, you assume your license will be renewed. Unfortunately, this is not always the case. Many contractors have discovered, much to their dismay, that although they timely submitted their application, their license was not renewed due to a technicality.

While these application technicalities are easily cured, often times the CLSB fails to notify the contractor of the problem until *after* the expiration of the license - which results in a lapse in licensure. In order to resolve this injustice, the CSLB will now be sending petition forms for retroactive renewal with all timely submitted renewal applications which are sent back due to a technicality pursuant to California Business & Professions Code §7141.5. This allows the contractor to resolve the technicality and at the

same time preserve the official record from any expiration period.

This is good news for contractors since any lapse in licensure will create serious problems for the contractor including an inability to record a mechanic's lien or initiate a lawsuit for collection. What is worse, a homeowner can also make a legal claim against any unlicensed contractor for repayment of all amounts paid under the contract. Bottom Line: Protect your license, it is your key to collection and it will protect you from unscrupulous homeowners. Should you have any questions related to your license or status, contact Andrew C. Muzi, Esq. at Muzi & Associates.

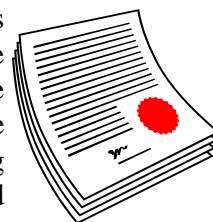


Muzi & Associates
 Lawyers
 1851 E. First St., Suite 1257
 Santa Ana, CA 92705-4017
 Phone: (949) 553-9277
 Fax: (949) 553-9288
 www.muzilaw.com

If you have any questions regarding this newsletter or any public or private works construction issues, contact Andrew C. Muzi, Esq. at Muzi & Associates (949) 553-9277.

NO GOOD DEED GOES UNPUNISHED - GET IT IN WRITING!

In the interest of pleasing customers and maintaining good working relationships, many construction professionals orally agree to perform additional work and then fail to formalize the agreement in writing with a signature from the other party. Often times a "wink and a nod" or handshake suffice; however, when a dispute arises, memories quickly fade and the contractor is left having to put the pieces together and



fight an uphill battle to prove the work performed was outside the contract and the increased amount owed. To avoid this position, ensure all your extra work is confirmed in *writing* and *signed* by an authorized individual before any additional work is performed. If you have any questions regarding change order forms, agreements or other contract questions, contact Andrew C. Muzi, Esq. at Muzi & Associates.

Quarterly Newsletter

Muzi & Associates

1851 E. First Street, Suite 1257

Santa Ana, CA 92705-4017

Phone: (949) 553-9277

Fax: (949) 553-9288

www.muzilaw.com

SOMETIMES YOU JUST CAN'T TAKE IT BACK -THE PAIN OF A BID MISTAKE

All contractors understand that it is essential to double and triple check bid proposals for public works projects prior to submitting them to the awarding authority. However, many contractors may not know that if their bid contains a mistake, the awarding authority may nevertheless award the bid with the mistaken amount and compel contractor compliance at that bid number.

The law does provide relief to contractors under California Public Contract Code §5101 whereby an awarding authority may consent to relieve a contractor of his mistaken bid amount. In order to prove a bid mistake worthy of relief, the contractor must satisfy a four-prong test pursuant to §5103 and prove the following:

- (1) Typographical or arithmetical mistake;
- (2) Written notice with details



of mistake to awarding authority within 5 working days of bid opening;

- (3) Mistake was material to bid; and
- (4) Mistake was made in filling out the bid and not due to error in judgment or carelessness.

Bear in mind however, that this law is not tantamount to an absolute right of bid withdrawal and that the awarding authority may choose to award the bid irrespective of its known mistake. While the law does provide legal recourse it is very costly and extremely risky since a losing contractor may be required to pay the attorney's fees of the awarding authority in the instance judgment is found against the contractor. If you have any questions regarding your bid proposal or public works project, contact Andrew C. Muzi, Esq. at Muzi & Associates.

VISIT OUR NEW WEBSITE

Muzi & Associates
has recently
updated its website
to keep you in the
know

www.muzilaw.com

Website Content:

Firm History

Attorney Profiles

Publications

Contact Information

MECHANIC'S LIEN LAW REFRESHER COURSE

A mechanic's lien is a security device which attaches to real property and ensures that the claimant who furnishes labor, services, equipment or materials will be paid. The statutory guidelines for recording and perfecting mechanic's liens are particular and include the following:

1. If a Notice of Completion has been recorded, the lien must be recorded within 60 days for general contractors and 30 days for subcontractors Civil Code §3115, §3116;
2. If no Notice of Completion has been recorded, the lien must be recorded within 90 days after the completion of the work Civil Code §3115;
3. If you did not contract directly with the owner of the real property, your lien is only valid if you served a Preliminary 20-day notice as required by Civil Code §3114; and
4. You must file an action in court to foreclose on the lien within 90 days after recording or it will be deemed null and void Civil Code §3144.

For questions related to mechanic's liens, stop notices or bond claims, contact Andrew C. Muzi, Esq. at Muzi & Associates.



ARE YOUR OFFICE FORMS LEGALLY ENFORCEABLE?

Often times self-generated office forms exclude certain provisions critical to protecting your legal interests and enforcing your position. Muzi & Associates can review your current office forms from proposals, contracts and change orders to invoices, notices of termination, stop notices and bond claims to confirm their compliance with California or other state laws and ensure your ultimate pro-

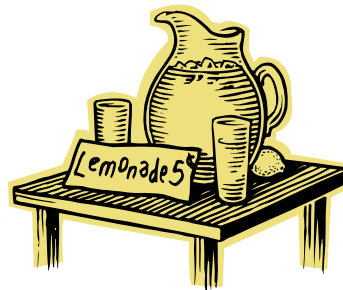
tection. Our firm can also draft specially tailored documents particular to your services and consult with you regarding current collection matters and contract compliance concerns. Contact Andrew C. Muzi, Esq. of Muzi & Associates today to set up your appointment to determine whether your office forms are drafted to best protect your legal interests!

Quarterly Newsletter

Muzi & Associates
 1851 E. First Street, Suite 1257
 Santa Ana, CA 92705-4017
 Phone: (949) 553-9277
 Fax: (949) 553-9288
 www.muzilaw.com

HERE COMES THE SUN - HOW TO KEEP YOUR EMPLOYEES SAFE THIS SUMMER

With many of our clients working in the intense heat of the Inland Empire and San Fernando Valley this summer, we want to remind you to take the necessary precautions to reduce heat related illnesses such as dehydration, heat exhaustion and headaches. These sun safety measures will also help prevent skin cancer which is now considered an epidemic by the Centers for Disease Control and Prevention since over one million Americans are expected to get skin cancer this year alone and those working outdoors are particularly susceptible to the disease. Here are a few sun-safety tips offered by the California Department of Health Services:



1. Drink water continually throughout the day
2. Apply full-spectrum (UVA & UVB) sunscreen - SPF 15 or greater to exposed skin 15 minutes before going in the sun
3. Use lip balm with an SPF of 15 or greater
4. Wear a 4 inch full-brimmed hat and sunglasses that state they protect 99-100 percent of UVA and UVB
5. Reduce exposure to sunlight when practical between 2:00 p.m. and 3:00 p.m.

CIVIL TRIAL AND APPELLATE PRACTICE

 CONSTRUCTION LAW

 INSURANCE AND SURETY LITIGATION

 GENERAL COMMERCIAL CIVIL LITIGATION

 REAL ESTATE AND BUSINESS LAW

 CONSTRUCTION ACCIDENTS AND PERSONAL INJURIES



Muzi & Associates wishes you a happy and safe summer