

CONDITIONAL WAIVER AND RELEASE UPON PROGRESS PAYMENT

[Civil Code §3262(d)(1)]

Upon receipt by the undersigned of a check from _____ (Maker of Check)
 in the sum of \$ _____ (Amount of Check) payable to _____ (Payee or Payees of Check)
 and when the check has been properly endorsed and has been paid by the bank upon which it is
 drawn, this document shall become effective to release any mechanic's lien, stop notice or bond right
 the undersigned has on the job of _____ (Owner)
 located at _____ (Job Description) to the following extent.

This release covers a progress payment for labor, services, equipment or materials furnished
 to _____ (Your Customer) through _____ (Date)
 only and does not cover any retentions retained before or after the release date; extras furnished
 before the release date for which payment has not been received; extras or items furnished after the
 release date. Rights based upon work performed or items furnished under a written change order
 which has been fully executed by the parties prior to the release date are covered by this release unless
 specifically reserved by the claimant in this release. This release of any mechanic's lien, stop notice, or
 bond right shall not otherwise affect the contract rights, including rights between parties to the contract
 based upon a rescission, abandonment, or breach of the contract, or the right of the undersigned to
 recover compensation for furnished labor, services, equipment, or material covered by this release if
 that furnished labor, services, equipment, or material was not compensated by the progress payment.

Before any recipient of this document relies on it, said party should verify evidence of payment to
 the undersigned.

Dated: _____ (Company Name)

By _____ (Title)

NOTE: This form complies with the requirements of Civil Code Section 3262(d)(1). It is to be used by a party who applies for a progress payment when the
 progress check has not yet cleared the bank. This release only becomes effective when the check, properly endorsed, has cleared the bank.

§484b OF THE CALIFORNIA PENAL CODE PROVIDES IN PART AS FOLLOWS:

"Any person who receives money for the purpose of obtaining or paying for services, labor, materials or equipment and willfully fails to apply such money for such purpose by either willfully failing to complete the improvements for which funds were provided or willfully failing to pay for services, labor, materials or equipment provided incident to such construction, and wrongfully diverts the funds to a use other than that for which the funds were received, shall be guilty of a public offense and punishable by a fine not exceeding ten thousand dollars (\$10,000), or by imprisonment in the state prison, or in the county jail not exceeding one year, or by both such fine and such imprisonment, if the amount diverted is in excess of one thousand dollars (\$1,000). If the amount diverted is less than one thousand dollars (\$1,000), the person shall be guilty of a misdemeanor."

§484c OF THE CALIFORNIA PENAL CODE PROVIDES AS FOLLOWS:

"Any person who submits a false voucher to obtain construction loan funds and does not use the funds for the purpose for which the claim was submitted is guilty of embezzlement."

§206.5 OF THE CALIFORNIA LABOR CODE PROVIDES:

"No employer shall require the execution of any release of any claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of such wages has been made. Any release required or executed in violation of the provisions of this section shall be null and void as between the employer and the employee and the violation of the provisions of this section shall be a misdemeanor."

§532e OF THE CALIFORNIA PENAL CODE PROVIDES AS FOLLOWS:

"Any person who receives money for the purpose of obtaining or paying for services, labor, materials or equipment incident to constructing improvements on real property and willfully rebates any part of the money to or on behalf of anyone contracting with such person, for provision of the services, labor, materials or equipment for which the money was given, shall be guilty of a misdemeanor, provided, however, that normal trade discount for prompt payment shall not be considered a violation of this section."