SYNDICATE LEGAL ADVISORY SERVICES

CONTRACTOR LIENS / MECHANICS LIENS

Syndicate Legal Advisory Services – *Contractor Liens & Mechanics Liens*

SYNDICATE LEGAL ADVISORY SERVICES

Team of:
Attorneys / Lawyers
Law Clerks
Paralegals
Industry Specialists

Contractors who perform work on real property can issue a Mechanic's Lien (also known as a "Contractor's Lien") against the property. If a Contractor is not paid for the work they performed, they can issue a Mechanic's Lien that allows them to collect payment by forcing a sale of the property where the work was done. Subcontractor, Material Suppliers, and Equipment Lenders can also issue Mechanic's Liens.

However, there are strict procedures and deadlines that must be followed to ensure that the claim is valid. If these are not followed, a Mechanic's Lien will not be valid and the right to enforce may be forever lost.

PRELIMINARY NOTICE:

If you are a Contractor, Subcontractor, Material Supplier, or Equipment Lender, and you want to place a Mechanic's Lien on property, (*subject to a few exceptions*), you must first provide a ***Preliminary Notice within 20 days from the date that work began*** (*labor, materials or equipment are brought to the job site*).

A Preliminary Notice advises the Owner and Lender that a contractor has contributed work or materials and may file a Mechanic's Lien, or other legal claim, at a later time.

If you are a Direct or General Contractor, you must serve the Preliminary Notice on the Construction Lender. If you are a Subcontractor, Material Supplier, or Equipment Lessor, you must serve the Construction Lender, the Owner, and the Direct Contractor. Failure to include required information or follow deadlines will be fatal to a contractor's claim.

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NOTICE OF COMPLETION / NOTICE OF CESSATION:

If either a **Notice of Completion** or a **Notice of Cessation** were recorded, ***a Direct or General Contractor has 60 days to record a lien. Subcontractors, Material Suppliers, or Equipment Lessors have only 30 days to record their Mechanic's Lien.***

If a **Notice of Completion** or a **Notice of Cessation** were not recorded, then Contractors, Subcontractors, and Suppliers all have 90 days after completion of work to record a Mechanic's Lien. There may be an exception to this deadline in cases where work stopped for a continuous period of 60 days and the owner did not accept the project or move into the premises.

FILING AN ACTION TO REMOVE LIEN / FILING AN ACTION TO ENFORCE LIEN:

A Mechanic's Lien can be removed by the Property Owner if the Lien Holder does not initiate a lawsuit to enforce the lien within 90 days after it was recorded. We assist contractors with recording and enforcing Mechanic's Liens and assists Property Owners with disputing and removing liens that are unlawful or procedurally improper.

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REMOVING THE LIEN

Even if a Mechanic's Lien is unenforceable, it remains on title until the Property Owner takes action to remove it. If the Lien Holder failed to follow the strict deadlines when recording their lien, the Property Owner can seek a court order to release the property from the lien. If the petition is successful, the Contractor or Subcontractor is liable for costs incurred by the Property Owner (*Court Filing Fees and any Attorney Fees should an Attorney be retained*). Filing a petition with the court to release property from a Mechanic's Lien can be a complicated process. We can help you prepare the documents required to remove an invalid lien that will make it possible to sell, refinance, or obtain a line of credit on your property.

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