



Janette G. Leonidou · A. Robert Rosin · Patricia Walsh
C. Andrew Gibson · Roger F. Liu · David L. Ashby

777 Cuesta Drive, Suite 200
Mountain View, California 94040
(650) 691-2888 (telephone)
(650) 691-2889 (fax)
www.alr-law.com

CRITICAL CHANGE IN MECHANIC'S LIEN LAW TAKES EFFECT JANUARY 1, 2011

A critical new requirement for mechanic's liens takes effect January 1, 2011. ***Failure to comply with this new requirement will result in the forfeiture of mechanic's lien rights.***

Any person or company claiming a mechanic's lien must first serve a "Notice of Mechanic's Lien" ("Notice"). The Notice must be served on the owner or reputed owner of the property against which the lien is recorded. The Notice then must be attached to the mechanic's lien that the claimant records with the County in which the liened property is located.

The claimant must serve the Notice by registered, certified, or first class mail ***evidenced by a certificate of mailing***. The Notice must use the language prescribed in Section 3084 of the Civil Code. Also, the contents of the Notice must be printed in at least 10-point type and the last sentence of the Notice must be in all capital letters.

A copy of the Notice of Mechanic's Lien must be attached with the mechanic's lien, along with a proof of service affidavit attesting to the proper service of the notice.

Any failure to serve the Notice of Mechanic's Lien in the proper manner, or to attach the notice with a proof of service renders the mechanic's lien defective and may prevent the lien from being enforced.

A mechanic's lien provides a very useful tool to secure and compel payment, but the new notice requirement may catch many contractors and suppliers off-guard at a particularly bad time. The current economic recession has made it more difficult for contractors and suppliers to receive payment for the labor and/or materials furnished to private works of improvement. Thus, it is imperative to stay informed and aware of these stricter requirements to properly preserve one's mechanic's lien rights.

These new requirements were enacted as Assembly Bill AB 457, which becomes effective January 1, 2011.

AB 457 also requires the claimant to record a notice of *lis pendens* within 20 days after the filing of a lawsuit on a mechanic's lien.

Leonidou & Rosin has prepared a sample form of mechanic's lien that includes the new notice and affidavit required by AB 457. A copy of the sample form is enclosed. If you have any further questions, our attorneys are familiar with the new requirements and can assist you in learning more about them.