

## **Notice To Property Owner**

Regarding Preliminary Lien Notices State of California Civil Code Sections 3097, 3098 and 3111

Under the California Mechanics' Lien Law any contractor, subcontractor, laborer, supplier or other person who helps to improve your property, but is not paid for his/her work or supplies, has the right to enforce a claim against your property. This means that after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your contractor in full if the subcontractor, laborer or supplier remains unpaid.

To preserve their right to file a claim or lien against your property, certain claimants such as the subcontractors or material suppliers are required to provide you with a document entitled "Preliminary Notice". Original (or prime) contractors and laborers for wages do not have to provide this notice. A Preliminary Notice is not a lien against your property. Its purpose is to notify you of persons who may have a right to file a lien against your property if they are not paid. (Generally, the maximum allowed for filing a claim or lien against property is ninety (90) days after completion of your project).

To insure extra protection for yourself and your property, you may wish to take one or more of the following steps:

## Direct Payment

Require that payments be made directly to material suppliers and subcontractors through a joint control. Any joint control agreement should include the addendum approved by the registrar of contractors.

## Joint Checks

Issue joint checks for payment, made out to both your contractor and material suppliers or subcontractors involved in the project. This will help to insure that all persons due payment are actually paid.

## Releases

After making payment on any completed phase of the project, and before making any further payments, require your contractor to provide you with lien releases signed by each material supplier, subcontractor and labor involved in that portion of the work for which payment was made. On projects involving improvements to a single family residence or a duplex owned by individuals, the persons signing these releases lose the right to file a claim against your property. TO PROTECT YOURSELF YOU MUST BE CERTAIN THAT ALL MATERIAL SUPPLIERS, SUBCONTRACTORS AND LABORERS HAVE SIGNED RELEASES.

SHOULD YOU HAVE ANY QUESTIONS ABOUT THE MECHANICS' LIEN PROCESS YOU MAY CONTACT US AT (213)747-1718. WE ARE OPEN MONDAY THROUGH FRIDAY 6:00 AM TO 4:30 PM AND SATURDAY UNTIL 12:00.