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### REAL ESTATE NEWSALERT

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#### ARTICLE

#### EVERYTHING OLD IS NEW AGAIN: IMPACT OF SB 189 ON MECHANICS' LIEN LAW

By William "Fritz" Pahland\*

After years of study by the California Law Revision Commission, the Legislature adopted SB 189, the latest round of revisions to the set of construction remedies commonly known as the "Mechanics Lien Law." 1 The revisions go into effect on July 1, 2012.2 Many practitioners were concerned that the modifications would radically overhaul the pre-SB 189 Mechanics Lien Law, rendering valueless, if not literally ripping to pieces, practitioners' accumulated knowledge and understanding gleaned from decades of navigating the intricacies of the existing structure of this body of law. However, these fears have proven baseless. For the most part, the changes to the Mechanics Lien Law simply relocate the statutes from their most recent home in Civil Code sections 3082 to 3267, and place them in newly-created Civil Code sections 8000 to 8840 and 9000 to 9566.3 The statute grouping is also reorganized and certain archaic language is modernized.<sup>4</sup> A few other statutes are either added to the Mechanics Lien Law or reworded. None of these additions and "rewordings" alter existing well known legal principles.<sup>5</sup> In short, practitioners familiar with Mechanics Lien Law are not in for much of a surprise upon reviewing the revised statutes.<sup>6</sup>

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This is not to say that the changes do not improve the Mechanics Lien Law. Organizationally, the new statutes are broken up into logical sections, making them much easier to follow for those less familiar with the body of law. Further, the revisions, while not effecting any substantive change to existing law, help guide the less familiar practitioner through the statutory minefield that is the existing Mechanics Lien Law.

In sum, once the revisions are implemented in 2012, the Mechanics Lien Law will resemble a trusty old car with a new paint job: it still runs the same, it just looks better.

#### I. BACKGROUND OF CHANGES TO THE MECHANICS LIEN LAW

#### A. The Remedies

To the uninitiated, the term "Mechanics Lien Law" seems to refer to a single construction remedy: the mechanics lien. However, in practice, the term is rather loosely defined and encompasses all of the construction remedies provided for in the California Civil Code. Included among those are the mechanics lien, the stop notice, the payment bond, and the prompt payment penalties.<sup>7</sup>

Further confusing matters is the fact that the rules governing these remedies differ between private works and public works.<sup>8</sup> For instance, the mechanics lien remedy itself is unique to private works. Contractors, material suppliers, equipment lessors, etc. have no right to a mechanics lien on a public works job.<sup>9</sup> However, the remedies of stop notice, payment bonds, and prompt payment penalties are all available on public works, albeit with a different set of rules.<sup>10</sup> Changes to the Mechanics Lien Law create a clear demarcation between private and public works. The private works remedies are now found at new Civil Code sections 8000 et seq., and the public works remedies have been relocated to new Civil Code sections 9000 et seq. While the changes to the Mechanics Lien Law affect both public and private works remedies, this article focuses solely on the changes to the private works remedies.

## B. History of California Mechanics Lien Law

The mechanics lien is the cornerstone of the various Mechanics Lien Law remedies. In California, the mechanics lien is unique among creditors' remedies. It is the only creditors' remedy provided for in the California Constitution. Article XIV, Section 3, of the California Constitution, provides:

Mechanics, persons furnishing materials, artisans, and laborers of every class, shall have a lien upon the property upon which they have bestowed labor or furnished material for

the value of such labor done and material furnished; and the Legislature shall provide, by law, for the speedy and efficient enforcement of such liens.

This section was added to the Constitution in 1879 and has remained virtually unchanged since.<sup>11</sup>

Statutory roots of the mechanics lien predate its inclusion in the Constitution as a fundamental right of Californians. In 1850, California's first Legislature enacted a very basic mechanics lien statute. Since then, the Legislature has revised and recodified the Mechanics Lien Law numerous times. Over the years the statutes have travelled from the general statutes, to the Code of Civil Procedure, and ultimately to their current location, the Civil Code. 14

The first major codification of Mechanics Lien Law occurred in 1872, when it was placed in the Code of Civil Procedure. Since then, the Mechanics Lien Law has been changed by more than 150 separate enacted bills. Despite the constant tinkering with the Mechanics Lien Law over the years, it still contains much of the archaic language dating back to the initial codification in 1872. Major revisions to the Mechanics Lien Law occurred in 1951 and again in 1969. Nonetheless, these revisions carried forward a good portion of the 1872 verbiage. As with this latest revision, the 1951 and 1969 revisions did not substantively change the Mechanics Lien Law. For the most part, the Legislature has allowed the courts to decide the substantive Mechanics Lien Law.

## C. Summary and Structure of the Mechanics Lien Law

At root, Mechanics Lien Law provides a statutory security mechanism for various classifications of construction project participants, all of whom extend credit to project owners with nothing more than a promise of repayment. The Mechanics Lien Law is grounded in the practical reality that construction participants have no realistic chance to contract for a security device to ensure payment for their labor. The Mechanics Lien Law ensures protection to the construction participants by providing them with various statutory remedies to ensure repayment for labor, material, and equipment expended on a project. The remedies include the mechanics lien, the stop notice, the payment bond claim (where available), the prompt payment penalties, and the stop work notice.<sup>19</sup>

#### 1. The Mechanics Lien

Due to the constitutional nature of the mechanics lien, courts, particularly at the trial level, often liberally construe the various Mechanics

Lien Law statutes vigorously in favor of the lien claimant. In fact, trial courts often misconstrue the notion that the Mechanics Lien Law is intended to protect an uncompensated claimant, as if it were a mandate to give the claimant the benefit of every doubt.<sup>20</sup> Indeed, at the extreme margin, some trial level courts seem to actually shift the burden of proof from the plaintiff mechanics lien claimant to the defendant property owners and construction lenders.

A mechanics lien is an attack on the project owner's real property. It is a lien against the work of improvement, and enough of the surrounding land to reasonably use and enjoy the work of improvement.<sup>21</sup> In this respect, a mechanics lien is little different than any other type of security instrument, except that it is a statutorily imposed lien, requiring no voluntary pledge by the property owner. By way of example, a homeowner secures its debt to a lender by executing a deed of trust encumbering his or her home. The same property owner may find, to his or her chagrin, that a debt to those contributing to an improvement of the property is secured, by operation of law, by a mechanics lien. As with any other lien, the end result of enforcing a mechanics lien is the forced sale of the property and the distribution of the sale proceeds to the claimant.<sup>22</sup>

A mechanics lien attaches to the "work of improvement" to which the claimant contributed its labor, equipment, materials, etc. There is a direct connection between the claimant's work and its lien. The claimant cannot lien other property of the owner that is not related to the work improvement. Further, a claimant must have permanently improved the property.<sup>23</sup> For instance, maintenance work will not suffice to create a right to a mechanics lien.

One significant limitation of the mechanics lien remedy is that it provides for recovery only to the extent of an owner's equity in the property. If the equity in the property is consumed by senior liens or deeds of trust, the mechanics lien is rendered a worthless remedy.<sup>24</sup>

There are generally three steps necessary to perfect and enforce a mechanics lien. First, the claimant must serve a 20-day preliminary notice (unless the claimant falls within certain statutory exceptions). Second, the claimant must record its mechanics lien. The timeliness of recordation is typically determined either by the date the work of improvement was completed or by the date the notice of completion was served or recorded.<sup>25</sup> Third, the mechanics lien claimant must file an action to foreclose on its mechanics lien.<sup>26</sup>

## 2. The Stop Notice<sup>27</sup>

A stop notice is essentially a garnishment on construction funds. The stop notice attaches either to a construction loan account or to money held by the owner for the construction of the work of improvement. The stop notice freezes those funds, and if the claimant is able to successfully "enforce" its stop notice, the funds will be paid over to it. As a garnishment of funds, priority is not an issue for stop notice claims. A fund holder cannot avoid a stop notice because its loan is "senior" to the stop notice.

Similar to a mechanics lien, a stop notice is perfected and enforced via a three-step process. First, the claimant must serve a preliminary 20-day notice. Second, the stop notice must be timely served on the construction lender and/or owner. Third, the claimant must timely file a complaint to enforce its stop notice.

## 3. The Payment Bond<sup>28</sup>

Payment bonds are issued by a surety to ensure payment to project participants. Except in limited circumstances, payment bonds are rarely obtained for private works. Claims against payment bonds are enforced differently than are mechanics liens and stop notices. A payment bond claim is enforced by following a two-step process. First, the claimant provides an initial notice to a surety, usually in the form of a preliminary 20-day notice. If the claimant is not paid for its work, the next step is to file an action on the bond.

#### II. REVISIONS TO THE MECHANICS LIEN LAW

SB 189 modernizes, simplifies, and clarifies the Mechanics Lien Law to make it more user friendly, efficient, and effective.<sup>29</sup> For the most part, the revisions stay true to the content of the existing statute.<sup>30</sup> The revisions are intended to streamline the Mechanics Lien Law within the existing statutory framework, preserving intact the accumulated knowledge of practitioners and the body of interpretive law developed over several decades.<sup>31</sup>

The major differences between the existing and revised Mechanics Lien Law are merely organizational. The revisions break the Mechanics Lien Law into three major sections: (1) Works of Improvement Generally; (2) Private Works of Improvement; and (3) Public Works of Improvement. The first major section (Works of Improvement Generally) houses the statutes applicable to both public and private works. As their names indicate, the remaining major sections govern private works and public works, respectively.<sup>32</sup>

The first section is broken into four subsections: (1) General Provisions (which includes Definitions and Miscellaneous Provisions);<sup>33</sup> (2) Notice;<sup>34</sup> (3) Waiver and Release;<sup>35</sup> and (4) Bonds.<sup>36</sup> The Private Works section is broken up into eight subsections: (1) General Provisions;<sup>37</sup> (2) Preliminary Notice;<sup>38</sup> (3) Design Professionals Lien;<sup>39</sup> (4) Mechanics Lien;<sup>40</sup> (5) Stop Payment Notice;<sup>41</sup> (6) Payment Bond;<sup>42</sup> (7) Security for a Large Project;<sup>43</sup> and (8) Prompt Payment.<sup>44</sup> While each of the subsections include some revisions to the existing statutes, a comprehensive listing of all of these (mostly technical) statutory modifications and additions is beyond the scope of this article. Instead, this article focuses on key changes and additions to specific portions of the revised Mechanics Lien Law.

#### A. New Definitions

The "Definitions" section of the existing Mechanics Lien Law is much more than a simple set of defined terms used repeatedly in the Mechanics Lien statutes. It is filled with substantive law and procedural rules, which are nested within the various "definitions." For instance, the definition of "Preliminary 20-Day Notice (Private Work)" spans several pages of statutory text and is filled with both substantive and procedural requirements. The definitions section in the revised Mechanics Lien Law reads more like a true "definitions" section. It simply defines commonly used terms. There is little (if any) substantive law hidden in the revised definitions. The revised definitions are all relatively brief, and, where necessary, refer to other sections in the Mechanics Lien Law. For instance, the revised definition of "Preliminary Notice" refers to the later subsection which addresses all of the procedural and substantive aspects of preparing and securing a Preliminary Notice. 47

Also, the revised Mechanics Lien Law adds definitions that do not exist in the current Mechanics Lien Law. One of the goals associated with the revisions is to bring uniformity and clarity to the Mechanics Lien Law.<sup>48</sup> To accomplish this goal, the revisions added definitions of commonly used terms in the Mechanics Lien Law, such as "admitted surety insurer," "contract price," "contractor," "design professional," and others.<sup>49</sup>

## B. New Terminology: Direct Contractor

New section 8084 introduces the term "direct contractor" to the Mechanics Lien Law. The term replaces the use of "original contractor" in the existing section 3095, and means any contractor who contracts directly with an owner. The existing term "original contractor" is found only in the Mechanics Lien Law and has not achieved widespread use

in the legal or construction industries.<sup>50</sup> While the terms "general contractor" and "prime contractor" are both more widely used, those terms do not recognize situations such as the owner-builder context where an owner effectively acts as the general contractor and contracts directly with the various trades who ordinarily would be subcontractors of the general contractor.<sup>51</sup>

#### C. The New Notice Provision

One of the more significant additions in the revised Mechanics Lien Law is a new subsection dealing entirely with "notice." The Mechanics Lien Law is filled with provisions for notices, including the preliminary notice, the stop notice, the notice of nonresponsibility, and others. The new statute attempts to standardize the contents of notices, as well as the procedures for giving notice. For instance, new section 8102 sets forth the minimum content of any notice served or provided under the revised Mechanics Lien Law. This minimum content includes, among other things, the identification of the project owner, the identification of the direct contractor, the identification of the construction lender, a description of the project site, and an identification of the party giving notice.

Section 8116 provides the yardstick for when notice is deemed complete. Section 8116, subd. (c) establishes that where notice is given by mail, notice is deemed complete five (5) days after mailing. This could effectively change the 20-Day Preliminary Notice calculation.<sup>54</sup> With the advent of section 8116, project owners will likely argue that a preliminary notice covers labor, equipment and materials contributed to a work of improvement for the period starting 20 days before the Preliminary Notice was deemed served, not 20 days before the claimant dropped the notice in the mail.

Section 8118 is a new provision listing the requirements for proof that a notice was given. Among other things, section 8118 should reduce the common argument in mechanics lien litigation that a lender and/or owner never actually received a preliminary notice and therefore the subcontractor's lien claim is ineffective. With section 8118, this typical argument will be resolved by the claimant's production of (or inability to produce) the proof of service required under section 8118.

In one instance, a real innovation in the law was considered by the Legislature and rejected. The Law Revision Commission's version of proposed revisions to the Mechanics Lien Law included a provision for electronic notice.<sup>55</sup> The Commission believed that the law, in general, should strive to reduce the flow of paperwork and time for notice

by adopting electronic notification.<sup>56</sup> The Commission also felt that the construction industry is a particularly paper-intensive industry and would benefit greatly by moving to a more "paperless" mode of business.<sup>57</sup> However, the revised Mechanics Lien Law did not adopt the Commission's proposal for electronic service.

### D. Changes to Existing Section 3262 Covering Waiver and Release

The Waiver and Release section of the revised Mechanics Lien Law more or less leaves intact the substantive portions of existing Civil Code section 3262.<sup>58</sup> The primary improvement effected by the revisions is to break section 3262 up into smaller, more manageable sections. There were also a few changes to the format and verbiage of the various forms of waiver and release.<sup>59</sup> However, those formatting modifications did not effect any significant substantive change.<sup>60</sup>

## E. Changes to Statutes Governing "Completion"

The revised Mechanics Lien Law lumps together in one Article the various statutes governing the criteria for completion of a work of improvement found in the existing Mechanics Lien Law.<sup>61</sup> For the most part, the substance of the existing Mechanics Lien Law remains undisturbed. However, there are a few notable exceptions. First, the listing of "acceptance by the owner" as a means of achieving completion (found in existing section 3086) has been removed from revised section 8180. Second, revised section 8182 increases from 10 to 15 days the period by which an owner must record a Notice of Completion after completion of the work of improvement. Third, revised section 8186, which concerns the situation where a work of improvement is made pursuant to two or more direct contracts, continues the substance of existing section 3117, with one key exception: The 10-day period for recording a notice of completion of a contract for a portion of the work of improvement found in existing section 3117 is removed. This change will allow an owner to record a Notice of Completion concerning a specific contract significantly after the direct contractor has completed its portion of the work.

# F. Changes to Existing Section 3097 Governing Preliminary Notice

The existing Mechanics Lien Law houses the rules governing Preliminary Notice in the long statute in the "definitions" section.<sup>62</sup> The revised Mechanics Lien Law creates a new subsection for the Preliminary Notice and breaks the existing lengthy statute into smaller, more digestible portions.<sup>63</sup> While revised Mechanics Lien Law includes little substantive change from existing Civil Code section 3097, there are a few points worth noting. First, section 8200, subd. (e)(2) makes clear that a claimant with a direct contractual relationship with an owner must provide a preliminary notice only to a construction lender. This resolves the possible ambiguity found in existing section 3097, subd. (b). Second, the ambiguous reference to an "express trust fund" in existing section 3097, subd. (b)(5) has been removed. Revised section 8200, subd. (e)(1) only provides that a "Laborer" is not required to provide a Preliminary Notice in order to enforce a mechanics lien. The term "Laborer" is defined in new section 8024, and includes any entity entitled to collect a portion of compensation owed to an individual working on a work of improvement.

## G. Changes to Recording and Enforcing a Mechanics Lien

New Civil Code section 8416 continues substantially existing Civil Code section 3084, with one small exception. The claimant's notice to the owner must include the claimant's address.

New section 8424 effectively combines existing sections 3143 and 3144.5, with one significant change. Revised section 8424 requires that mechanics lien release bonds be in the amount of 125% of the claim of lien; existing Civil Code section 3143 requires that mechanics lien release bonds be in the amount of one and one-half times the claim of the lien.

## H. Change to Lien Amount

Revised Section 8430 continues the substance of existing section 3123, governing the amount of a mechanics lien, with one notable exception. The requirement in existing section 3123 that an owner provide notice if any change order increases the contract price by 5% or more has been deleted.

## I. Notice of Pendency of Action

New section 8461 is substantively identical to existing section 3146. Both state that a plaintiff must record a notice of pending action within 20 days after commencing an action. Further, both statutes provide that a purchaser or encumbrancer of a lien property will be deemed to have notice of the pending action only from the time the notice is recorded. Both statutes omit any reference to a penalty for having recorded the notice of pending action more than 20 days after commencement of the action. The Law Revision Commission's draft Civil Code section 8460 combined adopted revised sections 8460 and 8461 and provided that the claim of lien would be rendered unenforceable if a notice of pendency of action was not filed within 110 days after recordation of the claim of lien. The Legislature's failure to adopt the Law

Revision Commission's penalty provision creates doubt as to whether the requirement for recordation of a notice of pending action set forth in section 8461 is truly mandatory. The resolution of this issue will be left to either further statutory revisions and/or the courts.

## J. Changes to the Statutory Procedure for Release of Lien

Existing section 3154, providing a summary procedure for the release of expired liens, will be replaced by sections 8480 through 8488 of the revised Mechanics Lien Law. The new statutes include a number of procedural requirements that did not exist in section 3154. For instance, existing section 3154 does not include a timing requirement for a property owner to bring a petition to release his or her property from the lien at any time after the 90-day period to file an enforcement action had expired. Under new section 8482, the property owner must demand that the claimant release its lien at least 10 days before filing such a petition. Further, new section 8484 places additional procedural requirements on the petitioner. For instance, the petition must include a certified copy of the claim of lien.

New section 8488 places the burden of production with respect to the substance of the petition and compliance with service requirements on the petitioner. The burden of proof is divided between the petitioner and the claimant. The petitioner has the burden of proof as to compliance with service and hearing date requirements. The claimant has the burden of proof with respect to the validity of its lien. Existing Civil Code section 3154 does not include any similar burden of proof and burden of production assignments.

As a further difference between existing section 3154 and the revised Mechanics Lien Law, section 8480, subd. (c) allows for filing a petition to release a state lien even though the claimant commenced an action. Section 8480, subd. (c) provides that a petition for a release of the lien may be joined with a pending action to enforce the claim of lien that is the subject of the petition. Existing section 3154, subd. (a) expressly requires that the petition be brought only if no action has been filed to enforce the lien.

# K. Revisions to the Statutes Providing for Removal of Lien from Record

New section 8490 for the most part consists of pieces of existing sections 3154, subd. (f) and 3148. However, two provisions in new section 8490 are notable. First, section 8490, subd. (c) provides conditions for recording a court order or judgment releasing a lien. Existing section 3154, subd. (f) includes a procedure for recording an order releasing

a lien, but only where the order was obtained by following the section 3154 petition procedure. The existing Mechanics Lien Law does not include a similar section for recordation of an order or judgment releasing a mechanics lien following, for instance, a successful demurrer or summary adjudication motion. New section 8490, subd. (c) provides clear guidance as to how a prevailing defendant can effectively remove a lien from the record following successful law and motion efforts or a trial victory without having to file a subsequent quiet title action.

Further, new section 8494 provides that an expired lien does not constitute notice of any matters claimed or alleged in the lien. This section makes clear that once a mechanics lien is more than 90 days old, the property encumbered by the lien is freely alienable and the lien can effectively be ignored by purchasers, lenders, and title insurers.

#### L. Revisions Concerning Stop Payment Notice

Other than the terminology change from "stop notice" in the existing Mechanics Lien Law to "stop payment notice" in the revised Mechanics Lien Law, revised sections 8500 through 8560 concerning stop payment notices more or less continue the substance and content of existing sections 3156 through 3176.5 concerning stop notices. This change in terminology was designed to be more descriptive of the actual remedy. In actuality, the notice directs a lender or owner to stop payments to the party it is in contractual privity with. Accordingly, the Law Revision Commission felt the term "stop payment notice" was much more descriptive than the existing term of "stop notice."

Aside from the new terminology, the new Mechanics Lien Law affects relatively few changes to the existing private works stop notice statutes. Of the few substantive changes, the new Mechanics Lien Law requires that the bond to release a stop notice be issued by an "admitted surety insurer," as defined in revised section 8002. Existing section 3171 requires only that the bond be issued by "good and sufficient sureties." Other sections of the new Mechanics Lien Law require that bonds be from an "admitted Surety insurer." Whether this change removes any potential for disqualifying admitted insurer based on financial condition or other grounds remains for the courts to decide.

New section 8536, setting forth the duty of a construction lender to withhold funds upon receipt of a stop notice, effectively restates existing sections 3159, subd. (a)(1)-(2) and 3162, subd. (a)(1)-(2). However, one portion of existing 3162, subd. (a) was omitted from new section 8036. Existing section 3162, subd. (a) provides that a lender must withhold sufficient money to "answer the claim and any claim of lien that

may be recorded therefor." New section 8536 omits as superfluous the reference to a "claim of lien." Any amount paid pursuant to a stop payment notice should reduce a related claim of lien. Accordingly, there is no reason to withhold additional funds to satisfy a claim of lien.

### M. Changes To The Definition of Design Professional

Existing section 3081.1 defines "design professional" to include only certificated architects, registered professional engineers, and licensed surveyors. New section 8014 changes this definition to add licensed landscape architects to the class of design professionals entitled to a mechanics lien.

#### III. CONCLUSION

The changes to the Mechanics Lien Law amount to a gentle reorganization of the existing Mechanics Lien Law. Substantively, the law is the same. While practitioners familiar with the law will be forced to adjust by finding familiar statutes in their new locations, practitioners new to the subject will benefit by the more logical organization of the statutes, as well as the improved, easier-to-read language.

#### **NOTES**

- 1. *Mechanics Lien Law*, 37 Cal. L. Revision Comm'n Reports 527 (2007) (hereafter "Comm'n Report"). Among other things, the revisions drop the apostrophe from "mechanics lien."
- Civ. Code, §8052; see Comm'n Report 561 to 562. Some of the revisions to the Mechanics Lien Law relating to public works became effective on other dates. This article is focused only on the revised Mechanics Lien Law as it applies to private works.
- 3. Comm'n Report, 555 to 557.
- 4. Comm'n Report, 558.
- 5. Comm'n Report, 559 to 560.
- 6. See, e.g., Civ. Code, §8052, subd. (c) [providing that when a provision in the revised Mechanics Lien Law is "substantially the same" as it was previously, then it must be construed as restatement of existing law].
  - ♦ Comment: Practitioners are cautioned to review thoroughly the revised Mechanics Lien Law. While the substantive changes to the Mechanics Lien Law are few, all practitioners are advised to familiarize themselves with the text of the new statutes and not to rely solely on any mere description of the new law.
- 7. Miller & Starr, California Real Estate 3d, §28:1.
- 8. Miller & Starr, California Real Estate 3d, §28:93.
- 9. See, e.g., Pacific Employers Ins. Co. v. State of California, 3 Cal. 3d 573, 576, 91 Cal. Rptr. 273, 477 P.2d 129 (1970).
- 10. Ibid.
- 11. Comm'n Report, 539. See also Miller & Starr, California Real Estate 3d, §28:2.
- 12. Comm'n Report, 540.
- 13. *Ibid*.
- 14. *Id*.
- 15. Comm'n Report, 540.
- 16. Ibid.

- 17. Id.
- 18. See Comm'n Report, 540.
- 19. Comm'n Report, 537-538. See also Miller & Starr, California Real Estate 3d, §28:2.
- 20. Miller & Starr, California Real Estate 3d, §28:6.
- 21. Forsgren Associates, Inc. v. Pacific Golf Community Development LLC, 182 Cal. App. 4th 135, 149-150, 105 Cal. Rptr. 3d 654 (4th Dist. 2010), review denied, (June 17, 2010).
- 22. Miller & Starr, California Real Estate 3d, §28:72.
- 23. Miller & Starr, California Real Estate 3d, §§28:29, 28:30.
- 24. Miller & Starr, California Real Estate 3d, §§28:36 to 28:39. See also Miller & Starr, California Real Estate 3d, §§11:130 to 11:146 (priority of a mechanics' lien).
- 25. Miller & Starr, California Real Estate 3d, §§28:40 to 28:64.
- 26. Miller & Starr, California Real Estate 3d, §28:65 to 28:77.
- 27. Miller & Starr, California Real Estate 3d, §§28:78 to 28:92.
- 28. See Miller & Starr, California Real Estate 3d, §§28:101 to 28:134 for a discussion of bonds, and the liability of a contractor's surety.
- 29. Comm'n Report, 555.
- 30. Id. at 554.
- 31. *Id.* at 554; see, e.g., Civ. Code, §8052, subd. (c).
- As set forth previously, this article does not discuss the revisions as they relate to public works.
- 33. Civ. Code, §§8000 to 8050 (definitions), §§8052 to 8066 (miscellaneous provisions).
- 34. Civ. Code, §§8100 to 8118.
- 35. Civ. Code, §§8120 to 8138.
- 36. Civ. Code, §§8150 to 8154.
- 37. Civ. Code, §§8160 (general provisions), §§8170 to 8174 (construction documents), §§8180 to 8190 (completion).
- 38. Civ. Code, §§8200 to 8216.
- 39. Civ. Code, §§8300 to 8318.
- 40. Civ. Code, §§8400 to 8404 (who is entitled to lien), §§8410 to 8424 (conditions to enforcing a lien), §§8430 to 8434 (amount of lien), §§8440 to 8448 (property subject to lien), §§8450 to 8458 (priorities), §§8460 to 8470 (enforcement of lien), §§8480 to 8488 (release order), §§8490 to 8494 (removal of claim of lien from record).
- 41. Civ. Code, §§8500 to 8510 (general provisions), §§8520 to 8522 (stop payment notice to owner), §§8530 to 8538 (stop payment notice to construction lender), §§8540 to 8544 (priorities), §§8550 to 8560 (enforcement of claim stated in stop payment notice).
- 42. Civ. Code, §§8600 to 8614.
- 43. Civ. Code, §§8700 to 8704 (application of chapter), §§8710 to 8716 (security requirement), §§8720 to 8730 (form of security).
- 44. Civ. Code, §§8800 to 8802 (progress payment), §§8810 to 8822 (retention payment), §§8830 to 8848 (stop work notice).
- 45. See Civ. Code, §3097.
- 46. See Civ. Code, §§8000 to 8050.
- 47. See Civ. Code, §8034.
- 48. Comm'n Report, 555.
- 49. See Civ. Code, §§8002 ["admitted surety insurer"], 8010 ["contract price"], 8012 ["contractor"], 8014 ["design professional"].
- 50. Comm'n Report, 559.
- 51. *Ibid*.
- 52. See Civ. Code, §§8100 to 8118.
- 53. Comm'n Report, 562-563.
- 54. See Civ. Code, §8204.

- 55. Comm'n Report, 566.
- 56. Id. at 566-568.
- 57. Id. at 587.
- 58. See Civ. Code, §§8120 to 8138.
- 59. See Civ. Code, §§8132 to 8138.
- 60. Comm'n Report, 577.
- 61. See Civ. Code, §§8180 to 8190.
- 62. See Civ. Code, §3097.
- 63. See Civ. Code, §§8200 to 8216.
- 64. Comm'n Report, 588-589.

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