Washington Lien Law

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Today's Focus

- **$$$, And How To Get Them Paid**
  1. Focus on Select Contract Payment Terms
  2. Focus on Select Statutes Regarding Payment
  3. Review Claims Procedures
  4. Washington Bond and Construction Lien Law

Key Clause - No Damage for Delay

- A "No Damage for Delay" clause limits "delay" remedy solely to the granting of additional time (i.e. no cost adjustment)

- **Example:**

  Subcontractor shall not be entitled to receive from Contractor any damages or compensation or reimbursement of any loses, on account of any delays or delays from any cause whatsoever… and a request as provided in this Subcontract for an extension of time to complete the work shall be the only claim that may be made by Subcontractor to Contractor as a result of any delay or delays.

Enforceable?

Key Clause - No Damage for Delay - Washington

- Void and unenforceable in Washington (RCW 4.24.360)
  - "No damage for delay" clauses are void and unenforceable as against public policy
  - "Any clause in a construction contract… which purports to waive, release or extinguish the rights of a contractor, subcontractor, or supplier to damages or an equitable adjustment arising out of unreasonable delay in performance which delay is caused by the acts or omissions of the contractee or persons acting for the contractee is against public policy and is void and unenforceable."

No Damage for Delay - Washington

- *Scoccolo Construction, Inc v. City of Renton*, 158 Wn.2d 506 (2006)
  - Road-widening project for the City of Renton
  - "The Contractor shall be entirely responsible for coordination with the utility companies and arranging for the movement or adjustment, either temporary or permanent, of their facilities…"
  - "No additional compensation will be made to the Contract for reason of delay caused by the actions of any utility company…"
  - Scoccolo suffered delay <u>because of utility companies</u>

No Damage for Delay - Washington

- **<u>Court of Appeals</u>:** Franchisees are acting for themselves, not for the Owner; disclaimer valid

- **<u>Supreme Court</u>:** Under the terms of franchise agreements, the Owner possessed the authority to have the utilities relocate their facilities and the utilities were "acting for" the Owner; disclaimer invalid – Scoccolo recovers

Key Clause - Payment Clauses

"Pay-if-Paid" v. "Pay-When-Paid"

"Pay-if-Paid"	=	If owner never pays, Subcontractor never gets paid. Shifts entire credit risk of Owner insolvency to Subcontractor. Deals with timing and entitlement Enforceable? Why risk it?
"Pay-When-Paid"	=	Payment in a reasonable time Deals with timing, not entitlement

Payment Clauses - Examples

The Risk ("Pay-if-Paid")

The Obligation of Contract to make a payment under this Agreement, whether a progress or final payment, or for extras or change orders or delays to the Work, **is subject to the express condition precedent of payment therefore by the Owner**

The Compromise ("Pay-When-Paid")

Progress payments to the Subcontractor for satisfactory performance of the Subcontract Work shall be made no later than seven (7) calendar days after receipt by the Contractor of payment from the Owner for the Subcontract Work. If payment from the Owner for such Subcontract Work is not received by the Contractor, through no fault of the Subcontract, the Contractor will make payment to the Subcontractor within a reasonable time for the Subcontract Work satisfactorily completed.

Payment Clauses - Washington

- **Pay-When-Paid**
  - **Enforceable:** *Amelco Elec. v. Donald M. Drake Co.*, 20 Wn App. 899 (1978)
    - Contractor may postpone payment for a "reasonable period of time after the work [is] completed."

- **Pay-if-Paid**
  - **Enforceable**: ?? (Not definitive)
    - *Western States Paving Co. v. Pease & Sons, Inc.*, 132 Wash. App. 1034 (2006) (full decision available at 2006 Wash. App. LEXIS 707): Washington Court of Appeals declined to address validity of "pay-if-paid" clauses

Key Statute - Prompt Payment

- Both Washington and Oregon have prompt payment statutes for public work; in addition to a possible bond claim, look at possible prompt payment violations (interest/attorney fees).

- **ONLY OREGON** has a prompt payment statute for private work
  - ORS 701.630: "The original contractor shall pay to the subcontractor… the full amount received for such subcontractor's work and for materials and products suppled based on the subcontract or purchase order terms and conditions within seven days of receipt by the original contractor."

Maximum Allowed Retainage

- **Washington:**
  - 5% Maximum Retainage Statute – applies only to public works projects
  - No statutory maximum retainage on private works projects

Venue / Choice of Law Clauses

- Washington – No statutorily required Venue/Law (unlike Oregon)
- Forum Selection clauses enforced
  - *Keystone Masonry, Inc. v. Garco Constr.*, 135 Wn. App. 927 (2006) (Venue selection clause enforced, even with respect to claims against surety)
  - But see *Acharya v. Microsoft Corp.*, 2015 Wash. App. LEXIS 1316 (June 22, 2015) (distinguishing *Atlantic Marine* from the facts of this case)
- Choice of Law provisions enforced
  - *Coastal Constr. Grp. V. Stellar J. Corp.*, 2011 Wash. App. LEXIS 2583 (2011) (Oregon choice of law clause enforced)
- **BUT** – Lien and Lien Foreclosure Litigation Must Be Filed in the County Where the Project is Located.

Statutes of Limitation and Repose

- Washington
  - Six year statute of limitation on contract claims. RCW 4.16.040
  - Three year statue on claims for injury and oral contract. RCW 4.16.080 (2) & (3)
  - Six year statute of repose for construction defect, beginning on substantial completion or termination of services. RCW 4.16.310
  - Six year statute of repose. RCW 4.16.326(1)(g): Six year state of limitations runs concurrently with the statute of repose regardless of discovery
    - See *Washington State Major League Baseball v. Huber, Hunt & Nichols-Kiewit Constr. Co.*, 176 Wn. 2d 502 (2013) (Contract provisions can set limits on statues of limitation and statues of repose)

Claims Procedures

- After work commences, claims procedures may control whether a party is entitled to additional time, compensation, or both because of some act, event, or occurrence for which they are not responsible

- Important claims procedures provisions include:
  - Notice provisions – When? To whom? What form?
  - Document submission requirements
  - Available remedies
  - Dispute resolution – Mandatory meetings, mediation, arbitration, architect review?

Claims and Disputes Example

- 4.3.1 Definition. A Claim is a demand or assertion by one of the parties seeking, as a matter of right, adjustment or interpretation of Contract terms, payment of money, extension of time or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. ***Claims must be initiated by written notice. The responsibility to substantiate claims shall rest with the party making the claim.***

- 4.3.2 Time Limits on Claims. A Claim by either party **must** be made by **written notice** to the Architect **within ten (10) days** from the date of the occurrence of the event or discovery of the condition giving rise to the Claim or within ten (10) days from the date that the Claimant knew or should have known of the event or condition. ***Unless the claim is made within the aforementioned time requirements, it shall be deemed to be waived.*** Written notice of Claim shall include a factual statement of the basis for the Claim, pertinent dates, contract provisions offered in support of the Claim and the nature of the resolution sought by the Claimant.

Claim and Notice Issues

- **Washington**
  - Contractual notice and claim procedures should be followed. See *Mike M. Johnson, Inc. v. Spokane County*, 150 Wn. 2d 375 (2003)

  - If they are not, and depending upon the fact-specific circumstances, courts may not allow claims for additional compensation or time.

  - Actual notice and awareness by the Owner of the basis for the change order or claim might not excuse a Contractor's failure to follow the contractual procedures. Negotiation by Owner may not waive right to rely on Contract claims requirements. See *American Safety Casualty Co. v. City of Olympia*, 162 Wn. 2d 762 (2007).

  - There are exceptions and factual scenarios that avoid harsh/unreasonable results:
    - Direction by the Owner to proceed (*Bignold v. King County*, 65 Wn. 2d 817 (1965))
    - Unequivocal waiver by the Owner by words or conduct (*Mike M. Johnson*)
    - Prejudice to Owner – renewed focus??

Lien and Claim Waiver Forms

- Conditional v. Unconditional
- Potential adverse effects
- Should note exceptions on lien wavers
- Example:

> "…it has been paid in full for all labor, services, equipment and materials provided or transported in connection with the Project **through _____, 2012,** except retainage, if any, and hereby fully and unconditionally waives and releases any and all stop notice rights, liens, claims of lien, rights to lien, bond claim rights (including without limitation Miller Act) and any other claim for payment it now has or asserts or may have or assert for labor, services, equipment, materials provided or transported in connection with the Project through said date, except retainage, if any, and except: ***[If nothing specified here, then there is NO exception]***

Public Works Bond Claims - Washington

- No liens allowed for Washington public projects
- Little Miller Act (RCW 60.28)
  - State Project
    - Whenever any board, council, commission, trustees or body acting for the state or any county or municipality or any public body hall contract with any person or corporation to do any work for the state, county, or municipality, or other public body, city, town, or district
  - Must be first- or second-tier to make claim
  - Notice to agency within **30** days of project acceptance by the agency
  - Bond claim action no sooner than 30 days or later than 6 years from project acceptance by the agency
  - Claim against the Retained Percentage/Retainage Bond – RCW 60.28.011

Washington – Notice to Lender

- Notice to Lender to withhold funds under RCW 60.04.221
  - Contained in lien statute, but separate procedures
  - Not paid within 5 days of date required for payment
  - Give notice no later than 35 days after the sum first became due
  - Duties of Lender to create fund
  - Exposure to damages and fees for excessive or premature notice

Private Works Projects – Washington Lien Law

Always review RCW 60.04.011 et seq.

Reference Materials and Credits to:

***Mechanics' and Construction Liens in Alaska, Oregon and Washington*, Brian A. Blum**

***The Construction Lien in Washington, A Legal Analysis for the Construction Industry*, Stoel Rives, 2019.**

1. Introduction

- RCW 60.04.021 provides that "any person furnishing labor, professional services, materials, or equipment for the improvement of real property shall have a lien upon the improvement for the contract price of labor, professional services, materials, or equipment furnished at the instance of the owner, or the agent or construction agent of the owner."

- Washington courts require strict compliance with the lien statute when deciding whether a particular claimant is entitled to lien rights.

2a. Furnishing labor

- Labor
  - defined to include “exertion of the powers of body or mind performed at the site for compensation.”
  - A company that offered “temporary labor services” in the form of writing paychecks for laborers, but exercised no onsite supervision, was held not to have a labor lien. Management and coordination services do not constitute “labor” if the services are performed away from the improved property.
  - It is “well-established that labor performed upon material before delivery is not lienable as a labor lien,” even if materials have been specially fabricated for a particular project.

2b. Furnishing Professional Services

- Professional Services
  - Defined to include "surveying, establishing or making the boundaries of, preparing maps, plans, or specifications for, or inspecting, testing, or otherwise performing any other architectural or engineering services for the improvement of real property."
    - The definition appears to be limited to the work of architects, engineers and surveyors, all of whom are required to be licensed under Washington law
    - There is no requirement that professional services must be performed at the project site for a lien to arise.
  - It has been held that construction management is not a professional service because it is not listed in the statutory definition.

2c. Furnishing Materials

- Materials
  - Materials are not defined in the lien statute. “Furnishing…materials” is defined to include “the provision of any supplies or materials…for the improvement of real property.”
  - Materials provided by the claimant and actually incorporated into a physical improvement to real property should remain lienable.
  - Materials provided by the claimant and delivered to the jobsite for incorporation into a physical improvement should remain lienable, even if work stops before they are incorporated; it does not matter whether the claimant personally delivers the materials.

2c. Furnishing Materials cont.

- Things sent to a project that are intended to remain personal property and not be physically incorporated into the improvement are not lienable. Whether materials have been delivered for incorporation into the improvement is determined by the intent of the parties.

- The cost of transporting materials to the project site is properly considered part of the material cost, not a separate labor item.

- Although the statute now refers to “supplies or materials” and not just “materials,” it does not follow that consumables like gasoline or small tools, which are used on the job but are not incorporated into the real estate, are lienable materials. However, one old case held that concrete forms that were used and then removed as waste were lienable materials.

2c. Furnishing Materials Cont.

- An old federal case (applying Washington law) has held that materials specially fabricated for a particular project and offered for delivery to the owner are also lienable, even if the owner chooses not to have them delivered.

- A person who provides materials and does no work at the site is a material supplier, not a laborer or contractor, even if that person expends labor offsite to fabricate, prepare or deliver the materials.

- A person who provides materials and labor at the site and who allocates the contract price between these as separate items may have separate liens for materials and for labor.

- A person who supplies materials to another material supplier has no lien for materials.

2d. Furnishing Equipment

- Equipment is not defied in the lien statute. “Furnishing…equipment” includes “the renting, leasing, or otherwise supplying of equipment for the improvement of real property.”

- It appears that “equipment” is intended to mean tools (like bulldozers and cranes) that are used during construction but not physically incorporated into the improvement.

3. The Improvement of Real Property

- For lien rights to arise, the claimant's work (labor, professional services, materials or equipment) must be "for the improvement of real property."

- While the current statute permits lien rights to arise in the absence of any permanent structure, Washington courts are likely to construe those exceptions to the general rule narrowly.

3. The Improvement of Real Property

- The statute allows liens for activities that do not result in a physical structure, such as demolishing, clearing, grading, planting trees and providing professional services.
  - Work to remove wet soil and replace it with new material was an improvement to the property.
  - Performing development services such as acquiring permits and negotiating contracts for work to be done did not constitute "improvements."
  - Setting survey stakes and control points did not constitute an improvement to the property.
  - Digging test pits to find the groundwater level was not an improvement.

4. The Contract Price

- The measure of a lien is the "contract price" for the lienable work.

- If no amount is agreed upon, then the measure is the customary and reasonable charge therefor.

- The contract price for a claimant working for a contractor is determined by the claimant's contract, without the need for any consent by the owner.
  - One consequence of the "contract price" language is that the lien claimant must actually have a contract to perform the work for which a lien is claimed.
  - If the claimant's contract does not set a price for her work, then the proper measure is the "customary and reasonable charge" for that work.

5. Work Authorized by the Owner

- A person performing lienable work to improve real property can claim a lien on the improvement, but only to the extent her work was "furnished at the instance of the owner, or the construction agent of the owner."

  - The term "owner" is not defined in the statute, suggesting that the ordinary meaning of the term is intended.

5a. Work Authorized by Owner's (Common Law) Agent

- The statute contemplates that work may be authorized by the owner's "agent."
  - "Agent" is not defined, so presumably the ordinary meaning is intended.

5b. Work Authorized by Owner's Construction Agent

- Even if the owner and its common law (express or implied) agents do not order any work, a lien may arise from work at the instance of the owner's "construction agent."

  - A construction agent is defined as "any registered or licensed contractor, registered or licensed subcontractor, architect, engineer, or other person having charge of any improvement to real property…"

  - The definition of "construction agent" potentially includes multiple design professionals and contractors

5b. Work Authorized by Owner's Construction Agent cont.

- Contractors and subcontractors can be construction agents only if they are "registered or licensed"

- An unregistered contractor may not maintain an action for compensation for its work or for breach of contract without alleging and proving that it was properly registered at the time it entered into the contract that forms the basis of its claim.

6. Property Interests Subject to Construction Liens

- A construction lien applies in the first instance to “the improvement” on which the lien claimant is working.

- In most cases, the lien extends also to the real estate underlying the improvement, to the extent of the interest of the person at whose instance, the work is done.

- If work is done on more than one property at the instance of the same person(s), then the lien claimant “shall” designate in her lien claim the amount due on each piece of property; otherwise, the lien is subordinated to other lien claims that do focus on particular properties.

6. Property Interests Subject to Construction Liens cont.

- There is a special rule for condominiums: after the declaration has been filed, any liens that arise are against each unit individually.

- The extend to which a lien affects property is fact specific, depending upon who ordered the work and what property interest(s) that person possessed.

Pre-Claim Notices

- Pre-Claim Notices Under the Lien Statute

  - The general rule is that “every person furnishing professional services, materials, or equipment for the improvement of real property shall give the owner or reputed owner notice in writing of the right to claim a lien.”

1a. Who Must Give a Pre-Claim Notice

- Subsection (2) exempts the following persons from the pre-claim notice requirement:
  - Persons who contract directly with the property owner, either directly or through the owner's common law agent. In the case of work on an owner-occupied single-family residence, this exemption applies only to persons who contract directly with the "owner-occupier."
  - Persons whose claim is solely for labor
  - Subcontractors who contract directly with the prime contractor. These are sometimes called "first tier subcontractors." Note that first tier material or equipment suppliers are not exempted. This exemption also does not apply in the case of work on an owner-occupied single-family residence.

1b. To Whom the Pre-Claim Notice is Given

- The pre-claim notice must be given to the "owner or reputed owner."
- On projects costing more than $5,000, the prime contractor is required to post a notice identifying the property and the property owner.
- To be effective, pre-claim notices must be given in one of the following ways:
  - Certified or registered mail
  - Personal service with either a receipt signed by the addressee or an affidavit of service.
- Actual notice is not enough if the statutory requirements are not met.

1c. When the Pre-Claim Notice is Given

- The statute allows notice to be given at any time, but on commercial projects the notice only protects the right to claim a lien for work performed or materials or equipment supplied after the date 60 days before notice is effective.

- The rule for new construction of a single-family residence is more strict: the notice can be given at any time but it protects the right to claim a lien only for work performed or materials or equipment supplied after the date 10 days before notice is effective.

- The rule for work on an occupied single-family residence is stricter still – protection only for amounts owed at the time and after the notice is provided.

1d. The Content of the Pre-Claim Notice

- RCW 60.04.031 includes a form of pre-claim notice.
- At least 10-point font must be used.
- A pre-claim notice must be “substantially” in the statutory form.

1e. Notice Regarding Professional Services

- Providers of professional services are subject to the normal rule of pre-claim notice to the property owner as stated above.

- However, an additional public notice is advisable if the professional's work is not visible from an inspection of the property.

2. Notices to Customers Under the Contractor Registration Statute

- The contractor registration statute requires “any contractor” performing certain defined work (generally of limited scope) to provide a disclosure statement to its “customer” before commencing work.
- The Disclosure Statement is required of any contractor agreeing to perform any project:
  a. for the repair, alteration, or construction of four or fewer residential units or accessory structures on such residential property when the bid or contract price totals $1,000 or more; or
  b. for the repair, alteration, or construction of a commercial building when the bid or contract price totals at least $1,000 but less than $60,000.

2. Notices to Customers Under the Contractor Registration Statute

- A contractor subject to the requirement and failing to comply may not bring or maintain any lien claim.

- The statute provides a form of disclosure statement.
  - Note that the form contains a place for the customer to acknowledge receipt.

- It is prudent for a contractor to include all the required Department of L&I “notice to customer” information in its form contract.

Recording a construction lien claim

1. Where and How to File a Claim of Lien

- Any person seeking to assert lien rights on a private project must file for recording, in the county where the subject property is located, a notice of claim of lien **not later than 90 days after the claimant has ceased to perform work**.

- Filing "in the county" means filing in the real estate records maintained by the county auditor.

Recording a construction lien claim

2. When to File and Serve a Claim of Lien

- The notice of claim of lien must be filed not later than 90 days after the claimant has ceased to "furnish labor, professional services, materials, or equipment or the last date on which employee benefit contributions were due."

- The date triggering the 90-day period is easy to determine if the claimant works continuously and then leaves the project when the work is completed.

2. When to File and Serve a Claim of Lien

- Work done or materials furnished under a new and independent contract, entering into after the original contract is completed, cannot be tacked on to the original contract to expand the time for filing a claim of lien under the original contract.
- If a lien claimant furnished material or labor to a contractor who has two separate contracts with the owner for the same project, the lien claimant need not give two separate notices of lien claim unless she has actual or constructive knowledge that she is working under two separate contracts.
- Work performed for the sole purpose of prolonging or renewing the right to file a claim of lien is not counted in determining the time for filing.
- Work performed after a contract has been completed in response to a warranty claim should not extend the time for filing a claim of lien.
- If work is performed on separate residential units then the time for filing claims of lien against each unit commences to run when work is completed on that unit.

2. When to File and Serve a Claim of Lien

- It has been held that even a small amount of remedial work or "punch list" some days or weeks after most of the work has been completed will extend the time for filing a claim of lien.
- If work is performed under a single contract, it does not matter that the contract has been amended to include additional work.
- If a claimant works under two separate contracts with the same party on the same project, the two contracts may be considered as one in determining the deadline for filing lien claims.
- **After filing a lien claim, the claimant "shall" provide a copy of the claim to the "owner or reputed owner" by certified or registered mail or by personal service within 14 days of the time the claim of lien is filed for recording**.
- **Failure to provide a copy of the claim results in a forfeiture of the claimant's right to attorneys' fees and costs against the owner**.

3. The Form and Content of a Claim of Lien

- The statute provides a form of lien claim and states that a claim of lien "substantially in the following form shall be sufficient."
- The statutory form requires information identifying the claimant, the person indebted to the claimant (*i.e.*, the person who ordered the claimant's work, who might be different from the owner of the underlying property), the property (which can be identified by any means "reasonably calculated to identify, for a person familiar with the area, the location of the real property to be charged with the lien"), and the dates when work was performed.
- Use statutory acknowledgement language.
- The lien claim form requires the claimant to state "the principal amount for which the lien is claimed."
- The principal amount may be amended as additional sums become due.
- Anticipated fees and interest should not be included in the lien claim.
- If a contractor contracts directly with the owner(s) for work on two adjoining parcels of property, she should allocate her lien claim between the two parcels.

4. Amending and Releasing a Claim of Lien

- Lien claimants are free to file a new lien claim notice or to amend an existing notice within the 90-day period following the end of their work.
- After the 90-day period has run, there is authority that a lien claim may still be amended, but not to cure invalidity.
- Lien rights may be released, in whole or in part, at any time after they have arisen.
- The payor may recover fees and damages if the release is unjustifiably delayed.
- The lien claimant should consider providing a partial release if a substantial payment is received.

5. Lien Release Bonds

- Washington law permits a bond to be recorded that frees the property from the encumbrance of the lien.
- The lien security then shifts from the property to the bond.
- The bond may be recorded before or after a lawsuit is commenced to foreclose the lien.
- The bond amount should be calculated as follows:
  - If the lien claim is $10,000 or less, the bond amount must be “equal to” $5,000 or twice the lien claim, whichever is greater.
  - If the lien claim is more than $10,000, the bond amount must be “equal to or greater than” 1.5 times the lien claim.
- Even after a lien release bond has been recorded, the eight-month deadline stated in RCW 60.04.141 remains in effect.

6. Procedures to Challenge an Alleged Frivolous or Clearly Excessive Lien

- RCW 60.04.081 sets forth the procedures for an Owner or other interested party to challenge an alleged frivolous or clearly excessive lien.
- Motion and show cause hearing 6 – 15 days from filing of motion.
- This does not need to wait for a lien foreclosure action to be filed.
- Attorney fees/costs may be awarded to the successful party.

Foreclosing a Construction Lien Claim

1. Where, When and How to Commence a Foreclosure Action

- A foreclosure action must be filing "in the superior court in the county[ies] where the subject property is located."
- **The lien foreclosure action must be <u>filed</u> within eight calendar months after the lien claim was recorded**.
- Failure to file the action in a timely manner causes the lien to expire.
- The period for commencing a lien foreclosure lawsuit is <u>not</u> tolled by an arbitration proceeding.
- Seek attorney fees and costs as part of requested relief.

2. Serving the Foreclosure Action on the Owner

- **The lien claimant must also serve the "owner of the subject property" with a summons and complaint within 90 days after filing**.
- Failure to comply with this requirement causes the lien to expire.
- To manage this risk, the lien claimant can conduct a title search shortly before (and, the be fully protected, shortly after) filing her action, to identify the recorded interests on the filing date.
- A lien foreclosure action not prosecuted to judgment within two years of filing may be dismissed at the court's discretion for want of prosecution.

3. Parties to be Included in a Foreclosure Action

- Hire a title company to produce what is called a “litigation guarantee,” a form of title report that lists persons with interested in the identified property.
- Every person with a potentially junior interest in the property (at the time the action is filed) and every person liable on the underlying debt should be joined.
- If the claimant is a subcontractor, supplier or laborer, the person or entity that hired the claimant is normally an appropriate party because that person or entity is personally liable on the debt.
- If a lien release bond has been recorded, the surety on the bond should be included as a party.

Lien Priority Issues in a Foreclosure Action

- For priority purposes, a lien attaches automatically, without recording, when the claimant begins to provide labor, professional services, materials or equipment.
- The statute establishes a clear and rather mechanical rule: a construction lien has priority over a competing encumbrance unless the encumbrance both attached to the property and was recorded before the lien arose.
- Once a professional service provider records a notice, her lien retains the priority stated in RCW 60.04.061 with respect to a subsequent mortgagee or purchaser.
- The lien law treats all the construction liens (even if they attached at different times) as equivalent in time, and ranks the liens based on their nature, not their age.

Lien Priority Issues in a Foreclosure Action

- The statutory rank of liens:
  a. Liens for labor.
  b. Liens for contributions owed to employee benefit plans.
  c. Liens for furnishing materials, supplies or equipment.
  d. Liens for subcontractors, including labor and materials.
  e. Liens for prime contractors and for professional services.

Questions??

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