

CONSTRUCTION LIENS AND BOND CLAIMS IN MICHIGAN

Midwest Builders Suppliers Association, Inc.

September 12, 2016

**Presented by:
Elizabeth Drolet
EPD Law, P.C.
4420 Jackson Rd., Suite 102
Ann Arbor, MI 48103
(734) 623-1023
Liz@epdlaw.com**

1. Overview of Construction Liens

- 1.1. As a general note, most states use the term “mechanic’s liens”. That was also true in Michigan until 1981 when the new Construction Lien Act was adopted and the terminology was changed to “construction liens”.
- 1.2. A construction lien is a claim against the real estate on which the project is located. The real estate becomes collateral for the money owed to the lien claimant in the same way that a mortgage on the real estate makes the real estate collateral for the note signed by the property owner. While this sounds overly simplistic, I have found that keeping this in mind helps to put the value of the lien in perspective.
- 1.3. As an example, if a developer wanted to borrow money from a lumber company to build an office building and offered a mortgage on the property as collateral, the prudent lumber company would want to know how much the property was worth and whether there were any prior mortgages on the property. The lumber company would also not lend the money just because it had a mortgage; it would lend the money only because it had determined that the developer would pay the loan on time. Likewise, no supplier or subcontractor should extend credit primarily based on its right to lien the property.
- 1.4. Again, at the risk of being overly simplistic, filing a lien against the property is only the first step. To enforce the lien, it is necessary to file a lawsuit to foreclose the lien. The end result of the lawsuit, if successful, is for the sheriff to auction the property off at the courthouse to the highest bidder. The money paid by the successful bidder is held by the sheriff until the redemption period expires and then turned over to the court for disbursement to the lien claimant. What if there are no bidders because there is a prior mortgage on the property and there is no equity left? Or, what if there are no bidders because the construction project is only half completed and a successful bidder will only be stepping into the middle of a mess that will require the bidder to complete the project and then sell it in order to recoup the money invested in the project? If there are no bidders, the lien claimant can trade his lien for a deed from the sheriff, but then what?
- 1.5. In order to evaluate the cost-effectiveness of pursuing foreclosure, it follows that it is also necessary for the lien claimant to determine where its lien stands in the pecking order of the ownership of the property. Some rules may be helpful:
 - 1.5.1. All liens have equal priority against the property. For example, if the excavator files a lien on July 1st and the electrician files its lien on December 1st, they both have equal rights against the property.
 - 1.5.2. Regardless when the work was done, all liens are treated as having been filed as of the date of “actual physical improvement” of the property. Using the above example, if the general contractor hires someone to bulldoze a construction road on the property on February 1st, the liens of the excavator and the electrician would all relate back to February 1st. It does not make any difference if the company that bulldozed the road filed a lien.

- 1.5.3. The first date of “actual physical improvement” determines whether the lien claims are ahead or behind a mortgage on the property. Sticking with our example, if the construction lender records its construction mortgage against the property on February 2nd, all of the liens on the project, no matter when the work was done or when the liens were recorded, have priority over the construction mortgage. Again, it makes no difference if the company that bulldozed the road recorded a lien.
- 1.6. One final note regarding construction liens: there are special rules regarding residential construction projects. At the time the Construction Lien Act was under consideration by the Michigan legislature in the late 1970s, consumer groups pushed hard to exempt residential property from all construction liens. They argued that when a consumer buys a car, the consumer does not need to check to see if they steel supplier to the car manufacturer got paid. The steel supplier cannot put a lien on the car. In the same way, the consumer/homeowner should not have to check to see if the builder has paid the builder’s subcontractors or suppliers. Construction industry groups, of course, pushed their viewpoint that residential property should be treated the same as any other construction project. The compromise reached between the construction industry groups and the consumer groups resulted in the creation of the Homeowner Lien Recovery Fund. The Fund was funded by annual “dues” paid by subcontractors and suppliers. If the homeowner had paid the builder in full, a subcontractor or supplier would make a claim against the Fund to get paid instead of being able to foreclose and sell the house.
- 1.7. In 2010, the Construction Lien Act was amended to eliminate the Fund. Now, if the homeowner has paid the builder in full, the subcontractor or supplier does not have any lien rights against the property and there is no longer a Fund as a substitute for lien rights.

2. Overview of Bond Claims

- 2.1. It is important to understand that lien rights only apply to privately owned property. Liens cannot be filed against publicly-owned property. An electrician who works on the McNamara terminal at Metro Airport cannot file a lien and have the sheriff sell the Airport (although, admittedly, it would be nice).
- 2.2. As a trade-off for not having lien rights, Michigan and federal law requires the general contractor (again, for terminology purposes, the general contractor for a public job is usually referred to as the “prime contractor” or the “principal contractor”) to obtain a payment bond for the project. There are two types of Michigan payment bond statutes that deal with property owned by a Michigan governmental unit. There is a different payment bond statute that deals with property owned by the federal government.
- 2.3. The first Michigan payment bond statute deals with MDOT projects. It requires the principal contractor to post a payment bond for a MDOT project, regardless whether the project is for \$1000 or \$100 million. The second Michigan payment bond statute deals with all other public construction projects. It requires the principal contractor to post a payment bond if the contract between the principal contractor and the governmental unit is for more than \$50,000.

- 2.4. The federal statute requires the principal contractor to post a payment bond if the contract with the federal government is for more than \$100,000. However, the bond only protects (i) 1st-tier subcontractors or suppliers and suppliers or, (ii) subcontractors or suppliers who have a direct contract with the 1st-tier subcontractor.
- 2.5. Note that a subcontractor or supplier who works on a public job involving the state of Michigan where the principal contractor's contract is for less than \$50,000 will not have a payment bond to rely on to get paid and will not be able to lien the project. Likewise, the subcontractor or supplier may not have any protection on a federal project if the contract amount is under \$100,000.
- 2.6. These statutes provide the baseline for what principal contractors are required to do. However, on many large public projects the principal contractor protects itself against bond claims of lower tier suppliers and subcontractors by requiring 1st-tier subcontractors to post their own payment bonds. These bonds are not governed by statute. They are purely private bonds.
- 2.7. 1st-tier bonds do not let the principal contractor off the hook. In effect, the lower tier subcontractor has *extra* protection because it can make a claim against both bonds or either one. This can save the day if the lower tier bond claimant has not sent timely notices to the principal contractor and therefore is denied recovery under the principal contractors bond but still has rights against the 1st-tier subcontractors bond.
- 2.8. The principal contractor is required to file a copy of the payment bond with the governmental unit (usually the engineer's office). It is critical to verify that a public bond is in place. The governmental unit has no responsibility to make sure that the principal contractor actually posts the payment bond or to make sure that the bond has not lapsed due to nonpayment of the bond premium.
- 2.9. It is also critical to make sure that the bonding company is legitimate and is not an offshore, uncollectible bonding company. One way to check on the strength of the bonding company is through A. M. Best Rating Services.
<http://www.ambest.com/home/default.aspx>
- 2.10. As mentioned above, public bonds are required to be filed with the governmental unit. If the principal contractor requires a 1st-tier subcontractor to provide a payment bond, that bond is not required to be filed anywhere. It can become a real detective game to determine if there is a 1st-tier payment bond. Certainly, the 1st-tier subcontractor is not going to advertise that it has a payment bond. One source of information is the person from the governmental unit in charge of the project. Another source is the principal contractor, itself, who may be happy to steer a subcontractor to making a claim on the 1st-tier's payment bond.
- 2.11. One final note: the payment bonds being discussed in this section are not the same as a bond that is used to "bond off" a construction lien, usually referred to as a "lien bond". On many construction projects-and certainly on virtually all large construction projects- the owner's contract with the general contractor requires the general contractor

to keep the project free of liens from its subcontractors and suppliers. If a lien is filed, the general contractor can remove the lien by filing a lien bond with the County Clerk or the County Register of Deeds of the county in which the property is located. The lien claimant is given notice of the bond and has 10 days to object if it believes the surety on the bond is bogus. If no objection is made, the lien is discharged. The lien claimant's remedy is to then seek payment under the lien bond. This process ends up in the same place as seeking payment under a payment bond.

3. Procedures for Filing an Effective Lien Claim

3.1. Due Diligence before Delivery.

- 3.1.1. The first decision to be made by a supplier is to decide whether lien rights are worth protecting. If the total value of materials shipped to a job site will be under \$5000 (as an example), the supplier might decide that the job is too small to justify the administrative expense of making a lien claim. Or, even if the job is larger, the supplier might decide that the customer is not a credit risk and that, in fact, taking the steps to enforce its lien rights could disrupt the relationship with the customer.
- 3.1.2. Assuming that the decision is made to proceed with protecting lien rights, the first step is to get information about the property where the project is located. The Construction Lien Act requires the owner of a construction project to record a Notice of Commencement with the Register of Deeds for the county in which the project is located. The Notice of Commencement is required to list the legal description of the property, the name and address of the owner, the name and address of the owner's agent for receiving notices (this person is referred to as the "designee") and the name and address of the general contractor. See example of Notice of Commencement attached.
- 3.1.3. An owner is required to provide a copy of the Notice of Commencement to a supplier within 10 days after a written request delivered by certified mail. Likewise, the general contractor is required to provide the Notice of Commencement, if the general contractor has a copy, within 10 days after written request delivered by certified mail.
- 3.1.4. Practically, the best way to get a copy of the Notice of Commencement is to do a title search at the Register of Deeds office. Not only will a title search show if a Notice of Commencement has been recorded, but it will also show if any other liens or mortgages have already been recorded against the property. The title search is also best way to confirm if the information in the Notice of Commencement is correct.

3.2. Send a Notice of Furnishing.

- 3.2.1. Once a supplier has verified the legal description of the property, the name and address of the owner, the name and address of the general contractor and the name and address of the designee, if any, the supplier sends a Notice of Furnishing, by

certified mail, return receipt requested, to the designee (or to the owner if there is no designee) and to the general contractor. See example of Notice of Furnishing attached.

3.2.2. The Notice of Furnishing is required to be sent within 20 days after the first date of delivery to the project. The Notice of Furnishing is considered as having been sent on the date that it is mailed by certified mail. Be aware that a supplier has to prove when it was mailed. The only way to do that is to get the white slip stamped by the post office.

3.2.3. Save the green cards when they are returned by the post office!

3.2.4. I suggest that a supplier do more than just follow the bare-bones requirements. Instead of just sending it to the designee (who may be the general contractor) also send it to the owner by certified mail. While not official, you can also send the Notice of Furnishing by fax or email. The emphasis should be on providing notice.

3.2.5. It is not necessarily fatal if the Notice is sent after the first 20 days. The purpose of the Notice is to allow the owner to hold back money from the general contractor to make sure that unpaid subcontractors and suppliers will not file liens. It follows that if the owner has not paid the general contractor before it gets a supplier's Notice of Furnishing, the owner has not been harmed by the late Notice. If the supplier decides to protect his lien rights starting with the 21st of delivery to the project-send the Notice of Furnishing!

3.3. Record the Claim of Lien Within 90 Days from the Date of Last Delivery

3.3.1. The Lien must be recorded within 90 days of a supplier's last date of supplying to the jobsite. The 91st day is too late. See example of Claim of Lien attached.

3.3.2. Be careful not to confuse the invoice date for the last shipment with the actual day that the last shipment was delivered.

3.3.3. The lien is recorded with the Register of Deeds office for the county in which the property is located. I recommend hand filing the lien. If a lien is mailed to the Register of Deeds office and sits on someone's desk because they're on vacation or sick and the lien does not get recorded until the 91st day, it is too late.

3.3.4. If a supplier mails the lien in plenty of time but the clerk returns it because the supplier's legal description was too fuzzy, that does not extend the 90 days.

3.4. Mail a Copy of the Claim of Lien

3.4.1. Mail a copy of what was recorded with the Register of Deeds to the designee (or if there is no designee to the owner) within 15 days after the lien was recorded. The lien must be mailed by certified mail, return receipt requested.

3.4.2. Save the green cards when they are returned by the post office!

- 3.4.3. At the time that the Claim of Lien is mailed, prepare a Proof of Service. The Proof of Service is a notarized statement by the person who mailed the Claim of Lien. If a lawsuit is filed to foreclose a lien, The Proof of Service must be attached to the complaint. If the person who mailed the Claim of Lien is no longer employed and has to be tracked down to sign the Proof of Service, this will at best cause delay and at worst could cause serious problems if the former employee did not leave on favorable terms. See example of Proof of Service attached.
- 3.5. Provide a Sworn Statement if Dealing Directly with the Owner.
 - 3.5.1. If a supplier is supplying directly to the owner of the project, and not to a general contractor, then under a quirk of the definition of “contractor” in the Construction Lien Act, the supplier becomes a contractor. Contractors are required to provide a sworn statement to the owner whenever payment is requested. Technically, that would mean when the owner is invoiced. See example of Sworn Statement attached.
 - 3.5.2. However, if the owner has not requested a Sworn Statement, the only time that a supplier is penalized for not providing a Sworn Statement is when a lawsuit is filed to foreclose the lien.
- 3.6. File a Lawsuit to Foreclose the Lien.
 - 3.6.1. The lawsuit must be filed within one year from the date that the Claim of Lien was recorded with the Register of Deeds.
 - 3.6.2. It does not make any difference if the owner and general contractor are involved in litigation or arbitration the outcome of which will resolve the supplier’s lien claim. The lien will expire.
- 3.7. Watch out for Having More Than One Contract on a Project.
 - 3.7.1. Assume that a supplier receives a purchase order from the general contractor for the rough lumber package. While that purchase order is outstanding and shipments are being made, the general contractor sends a 2nd purchase order, with a different purchase order number for the trim package.
 - 3.7.2. The supplier completes shipping the rough package, but does not get paid in full on either the rough or the trim packages. The supplier files a lien more than 90 days after it finished shipping the rough package but within 90 days of its last shipment on the trim package. Can the supplier lump the two purchase orders together and file one lien?
 - 3.7.3. My opinion is that each purchase order should be treated as a separate contract and lien separately.

3.8. Waivers.

- 3.8.1. I would be surprised if any supplier is not familiar with the different types of waivers: Partial Conditional, Partial Unconditional, Full Conditional and Full Unconditional.
- 3.8.2. The Partial Waiver forms required by statute for partial waivers state: “This waiver, together with all previous waivers, if any, (circle one) does not cover all amounts due to me/us for contract improvement provided through the date shown above.”
- 3.8.3. It is unfortunate that the statutory language does not make clear that retention being withheld for work completed prior to the waiver is not considered due as of the date of the waiver.

4. Procedures for Filing an Effective Bond Claim on Public Jobs.

4.1. MDOT Projects.

- 4.1.1. There is no requirement to send a preliminary notice.
- 4.1.2. The bond claimant must send a notice to MDOT within 60 days after last date of delivery.
- 4.1.3. A lawsuit must be filed within one year after the supplier’s last date of delivery.

4.2. Michigan Non-MDOT Projects.

- 4.2.1. A supplier who does not have a direct contract with the principal contractor must send a preliminary notice by certified mail, return receipt requested, to the principal contractor within 30 days from the date it 1st supplied material to the project.
- 4.2.2. Unlike the Lien Act, there is no 2nd chance for sending the preliminary notice as there is with the Notice of Furnishing.
- 4.2.3. The supplier must also send a final notice by certified mail, return receipt requested, to the principal contractor and to the governmental unit within 90 days after its last date of delivery.
- 4.2.4. A supplier who contracts directly with the principal contractor does not have to send a preliminary or a final notice.
- 4.2.5. A lawsuit to collect under a payment bond must be filed within one year from the date of final payment by the governmental unit to the principal contractor. Please be aware that it is possible that final payment could be made before a supplier’s last date of delivery. The supplier has no direct way of knowing when final payment is made.

4.3. Federal Projects.

- 4.3.1. As mentioned above, it is important to understand that the principal contractor's payment bond only protects 1st tier subcontractors and those who have contracts directly with 1st tier subcontractors.
- 4.3.2. If a supplier is within the protected scope of the payment bond, there is no need to send a preliminary notice but a final notice must be sent within 90 days of the last date of delivery.
- 4.3.3. A lawsuit to collect on the payment bond must be filed within one year after the last date of delivery.

Disclaimer: the materials presented are for educational purposes only. They are intended to give a general understanding of some of the legal concepts involving the subject matter but they may not apply to the reader's particular situation.

NOTICE OF COMMENCEMENT

This notice is given by **[name]**, of **[address]**, who is the **[capacity of person giving notice: owner/agent of the owner, vendee, lessee, etc.]** of the real property described as **[legal description of the real property]**.

[Name of party who contracted to have the work done] has contracted for an improvement to this property.

The general contractor is **[name of general contractor]**. **[Note: If the person contracting for the improvement is a land contract vendee or a lessee, the notice must also include the name and address of the fee owner of the property.]**

Any notices or other instruments required to be given to the person contracting for improvements under the Construction Lien Act, MCL 570.1101 et seq., should be given to **[name of party to receive contractor's notices]** of **[address]**, who is the designee for the improvement covered by this notice of commencement.

To lien claimants and subsequent purchasers:

Take notice that work is about to commence on an improvement to the real property described in this document. A person having a construction lien may preserve the lien by providing a notice of furnishing to the above-named designee and the general contractor, if any, and by timely recording of a claim of lien, in accordance with law.

A person having a construction lien arising by virtue of work performed on this improvement should refer to the name of the owner or lessee and the legal description appearing in this notice. A person subsequently acquiring an interest in the land described is not required to be named in a claim of lien.

A copy of this notice with an attached form for notice of furnishing may be obtained on making a written request by certified mail to the above-named owner or lessee, the designee, or the person with whom you have contracted.

Dated: _____ /s/ _____
[Name typed or printed in black ink]

STATE OF MICHIGAN)
_____ COUNTY)

Acknowledged before me in **[county]** County, Michigan on **[date]**, by **[name of acknowledging member]**, the **[title(s)]** of **[name of company]**, a Michigan limited liability company, on behalf of the limited liability company.

/s/ _____

[Notary public's name, as it appears on application for commission]

Notary public, State of Michigan, County of **[county]**.

My commission expires **[date]**.

**[If acting in county other than county of commission: Acting in the County of
[county].]**

Drafted by and when recorded return to:

[Name and address of drafter]

Notice of Furnishing

To: **[Name and address of owner or lessee who is contracting for work]**

Please take notice that the undersigned is furnishing to **[name and address of other contracting party]** certain labor or material for **[describe type of work]** in connection with the improvement to the real property described in the notice of commencement recorded in instrument number **[number]** or Liber **[number]**, on page **[number]**, **[name of county]** records, or **[a copy of which is attached to this document]**.

WARNING TO OWNER: THIS NOTICE IS REQUIRED BY THE MICHIGAN CONSTRUCTION LIEN ACT. IF YOU HAVE ANY QUESTIONS ABOUT YOUR RIGHTS AND DUTIES UNDER THIS ACT, YOU SHOULD CONTACT AN ATTORNEY TO PROTECT YOU FROM THE POSSIBILITY OF PAYING TWICE FOR THE IMPROVEMENTS TO YOUR PROPERTY.

Lien Claimant

[Name of lien claimant]

Dated: _____

By: /s/ _____

[Typed name of authorized signer]

Its: **[Title of authorized signer]**

[A notice of furnishing is required to be provided to the designee and the general contractor, if any, as named in the notice of commencement. If no designee is named in the notice of commencement, use the name of the owner or lessee. If no notice of commencement was recorded or given, use the name and address from the county records.]

[If the instrument number or liber and page of recording are not available, a copy of the notice of commencement may be attached. If no notice of commencement is available or if the legal description on it is not correct, a correct legal description should be obtained and attached.]

CLAIM OF LIEN

Notice is given that on **[date]**, **[name]**, **[address]**, first provided labor or material for an improvement to **[legal description of real property from notice of commencement]**, the **[owner / lessee]** of which property is **[name of owner or lessee from notice of commencement]**. The last day of providing the labor or material was **[date]**.

TO BE COMPLETED BY A LIEN CLAIMANT WHO IS A CONTRACTOR, SUBCONTRACTOR, OR SUPPLIER:

The lien claimant's contract amount, including extras, is **[\$amount]**. The lien claimant has received payment on the contract in the total amount of **[\$amount]** and therefore claims a construction lien on the above-described real property in the amount of **[\$amount]**.

TO BE COMPLETED BY A LIEN CLAIMANT WHO IS A LABORER:

The lien claimant's hourly rate, including fringe benefits and withholdings, is **[\$amount]**.

There is due and owing to or on behalf of the laborer the sum of **[\$amount]** for which the laborer claims a construction lien on the above-described real property.

[If the claim of lien has been assigned, include the following:] The construction lien having been assigned, this claim of lien is made by **[name]** as assignee of **[name]**.

LIEN CLAIMANT

By /s/ _____
[Signature of lien claimant, agent, or attorney]
[Address of party signing claim of lien]

Date: _____

STATE OF MICHIGAN)
_____ COUNTY)

Signed and sworn to before me in **[county]** County, Michigan on **[date]**, by **[name of acknowledging member]**, the **[title(s)]** of **[name of company]**, a Michigan limited liability company, on behalf of the limited liability company.

/s/ _____

[Notary public's name, as it appears on application for commission]

Notary public, State of Michigan, County of **[county]**.

My commission expires **[date]**.

[If acting in county other than county of commission: Acting in the County of [county].]

Drafted by and when recorded return to:

[Name and address of drafting attorney]

Comment: Attach a proof of service of the notice of furnishing if one exists.

PROOF OF SERVICE OF CLAIM OF LIEN

STATE OF MICHIGAN)
_____ COUNTY)

[If served by certified mail]

_____, being sworn, states that on **[date]**, **[he / she]** served a copy of the claim of lien and a copy of the notice of furnishing recorded by _____ on **[date]**, on each of the following individuals by US certified mail and with postage fully prepaid, with the certified number as indicated:

<i>Addressee and address</i>	<i>Certified number</i>

[If served in person]

_____, being sworn, states that on **[date]**, **[he / she]** served a copy of the claim of lien and a copy of the notice of furnishing recorded by _____ on **[date]**, on each of the following individuals by personally handing them copies of the claim of lien and the notice of furnishing:

<i>Name</i>	<i>Address</i>

/s/ _____
Deponent

Signed and sworn to before me in **[county]** County, Michigan, on **[date]**.

/s/ _____

[Notary public's name, as it appears on application for commission]

Notary public, State of Michigan, County of **[county]**.

My commission expires **[date]**.

[If acting in county other than county of commission: Acting in the County of [county].]

SWORN STATEMENT

STATE OF MICHIGAN)
 _____ COUNTY)

_____, being duly sworn, deposes and says, that _____ is a contractor for an improvement to the following described real property situated in Plymouth, Michigan, described as follows:

Legal Description

The following is a statement of each subcontractor and supplier and laborer, for which laborer the payment of wages or fringe benefits and withholdings is due but unpaid, with whom the contractor has subcontracted for performance under the contract with the owner (or lessee), and that the amounts due to the persons as of the date of this statement are correctly and fully set forth opposite their names, as follows:

Name, address, and telephone number of subcontractor, supplier, or laborer	Type of improvement furnished	Total contract price	Amount already paid	Amount currently owing
				0
Totals				0

Name of subcontractor, supplier, or laborer	Balance to complete (optional)	Amount of laborer wages due but unpaid	Amount of laborer fringe benefits and withholdings due but unpaid
Totals			0

The contractor has not procured material from, or subcontracted with, any person other than those set forth above and owes no money for the improvement other than the sums set forth above. Material that a contractor or subcontractor furnishes out of its own inventory and that has not been purchased specifically for the purpose of performing the contract does not need to be listed.

Deponent further says that deponent makes the foregoing statement as the representative of the subcontractor for the purpose of representing to the owner (or lessee) of the above-described premises and its agents that the above-described property is free from claims of construction liens, or the possibility of construction liens, except as specifically set forth above and except for claims of construction liens by laborers that may be provided under section 109 of the Construction Lien Act, 1980 PA 497, as amended, MCL 570.1109.

WARNING TO OWNER: AN OWNER OR LESSEE OF THE ABOVE-DESCRIBED PROPERTY SHALL NOT RELY ON THIS SWORN STATEMENT TO AVOID THE CLAIM OF A SUBCONTRACTOR, SUPPLIER, OR LABORER WHO HAS PROVIDED A NOTICE OF FURNISHING OR A LABORER WHO MAY PROVIDE A NOTICE OF FURNISHING PURSUANT TO SECTION 109 OF THE CONSTRUCTION LIEN ACT, MCL 570.1109, TO THE DESIGNEE OR TO THE OWNER OR LESSEE IF THE DESIGNEE IS NOT NAMED OR HAS DIED.

IF THIS SWORN STATEMENT IS IN REGARD TO A RESIDENTIAL STRUCTURE, ON RECEIPT OF THE SWORN STATEMENT, THE OWNER OR LESSEE, OR THE OWNER'S OR LESSEE'S DESIGNEE, MUST GIVE NOTICE OF ITS RECEIPT, EITHER IN WRITING, BY TELEPHONE, OR PERSONALLY, TO EACH SUBCONTRACTOR, SUPPLIER, AND LABORER WHO HAS PROVIDED A NOTICE OF FURNISHING UNDER SECTION 109 OR, IF A NOTICE OF FURNISHING IS EXCUSED UNDER SECTION 108 OR 108A, TO EACH SUBCONTRACTOR, SUPPLIER, AND LABORER NAMED IN THE SWORN STATEMENT. IF A SUBCONTRACTOR, SUPPLIER, OR LABORER WHO IS ENTITLED TO NOTICE OF RECEIPT OF THE SWORN STATEMENT MAKES A REQUEST, THE OWNER, LESSEE, OR DESIGNEE SHALL PROVIDE THE REQUESTER A COPY OF THE SWORN STATEMENT WITHIN 10 BUSINESS DAYS AFTER RECEIVING THE REQUEST.

WARNING TO DEPONENT: A PERSON, WHO WITH INTENT TO DEFRAUD, GIVES A FALSE SWORN STATEMENT IS SUBJECT TO CRIMINAL PENALTIES AS PROVIDED IN SECTION 110 OF THE CONSTRUCTION LIEN ACT, 1980 PA 497, AS AMENDED, BEING MCL 570.1109.

(Name of Contractor)

By: _____

STATE OF MICHIGAN

_____ COUNTY

)
)

Signed and sworn to before me in _____ County, Michigan, on _____.

Notary public, State of Michigan, County of _____.
My commission expires: