

Alaska

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Statutory Outline

TITLE 34. PROPERTY.

ARTICLE 02. MECHANICS AND MATERIALMEN.

CHAPTER 34.35. LIENS.

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Section 34.35.050. Lien for labor or materials furnished.

A person has a lien, only to the extent provided under this chapter, to secure the payment of the contract price if the person

- (1) performs labor upon real property at the request of the owner or the agent of the owner for the construction, alteration, or repair of a building or improvement;
- (2) is a trustee of an employee benefit trust for the benefit of individuals performing labor on the building or improvement and has a direct contract with the owner or the agent of the owner for direct payments into the trust;
- (3) furnishes materials that are delivered to real property under a contract with the owner or the agent of the owner that are incorporated in the construction, alteration, or repair of a building or improvement;
- (4) furnishes equipment that is delivered to and used upon real property under a contract with the owner or the agent of the owner for the construction, alteration, or repair of a building or improvement;
- (5) performs services under a contract with the owner or the agent of the owner in connection with the preparation of plans, surveys, or architectural or engineering plans or drawings for the construction, alteration, or repair of a building or improvement, whether or not actually implemented on that property; or
- (6) is a general contractor.

Section 34.35.055. Land subject to lien.

(a) The land upon which a building or other improvement described in AS 34.35.050 is constructed, together with a convenient space about the building or other improvement or so much as is required for the convenient use and occupation of it (to be determined by the judgment of the court at the time of the foreclosure of the lien), and the mine on which the work is performed or for which the material is furnished is also subject to the lien created by AS 34.35.050—34.35.120 if, at the time the work is started or the materials for the building or other improvements are first furnished, the land belongs to the person who causes the building or other improvement to be constructed, altered, or repaired.

(b) If the person owns less than a fee simple estate in the land, then only the interest of the person in it is subject to the lien.

(c) If the interest is a leasehold interest, and the holder forfeits the rights of the holder to it, the purchaser of the building or improvement and leasehold term, or so much of it as remains unexpired at a sale under AS 34.35.050—34.35.120 is considered to be the assignee of the leasehold term, and may pay the lessor all arrears of rent or other money and costs due under the lease.

(d) If the lessor regains possession of the land and property, or obtains judgment for the possession of it before the commencement of the construction, alteration, or repair of the building or other improvement, the purchaser may only remove the building or other improvement within 30 days after the purchase, and the owner of the land shall receive the rent due payable out of the proceeds of the sale, according to the terms of the lease, down to the time of the removal.

Section 34.35.060. Priorities.

(a) Except as provided in (c) of this section, an encumbrance which is properly recorded shall be preferred to a lien created under AS 34.35.050—34.35.120 unless the claim of lien under AS 34.35.070 or notice of right to lien under AS 34.35.064 has been recorded before the encumbrance. The preference granted for a prior mortgage or deed of trust under this section applies without regard to when the sums are disbursed or whether the disbursements are required under the terms of a loan agreement.

(b) [Repealed, § 19 ch 175 SLA 1978.]

(c) A lien created by AS 34.35.050—34.35.120 in favor of an individual actually performing labor upon a building or other improvement in its original construction or of a trustee of an employee benefit trust for those individuals is preferred to a prior encumbrance upon the land on which the building or other improvement is constructed.

(d) In enforcing the lien, the building or other improvement may be sold separately from the land. When sold separately, the purchaser may remove the building or other improvement within a reasonable time after the sale, not to exceed 30 days, upon the payment to the owner of the land of a reasonable rent for its use from the date of its purchase to the time of removal. If removal is prevented by legal proceedings, the 30 days does not

begin to run until the final determination of the proceedings in the court of first resort, or in the appellate court if appeal is taken.

Section 34.35.062. Construction financing.

(a) A claimant to whom payment for the labor, material, service, or equipment furnished for a project is past due may give the lender a stop-lending notice. The claimant shall at the same time give a copy of the notice to the owner and to each prime contractor with whom or through whom the claimant or the claimant's debtor has contracted. A stop-lending notice must

(1) instruct the lender to stop disbursing, advancing, or otherwise providing construction financing for the project;

(2) be verified by the claimant;

(3) state the claimant's name, address, and telephone number;

(4) describe the labor, material, service, or equipment furnished by the claimant and state the name of the person to whom furnished;

(5) describe the real property improved by the labor, material, service, or equipment and state the name of the person the claimant believes to be the owner of the real property;

(6) state the amount due and unpaid to the claimant for the labor, material, service, or equipment.

(b) A stop-lending notice is binding upon a lender from the time the lender has received it and had a reasonable opportunity to act upon it until it expires or is revoked. A notice expires on the 91st day after it is received by the lender unless the claimant has commenced an action on the claim that is the subject of the notice before that day and the lender has received written notification of the action. A stop-lending notice may be revoked at any time in writing signed by the claimant. Expiration or revocation of a notice extinguishes the liability of the lender to the claimant under (c) of this section.

(c) A lender who disburses, advances, or otherwise provides construction financing for a project after it is the subject of a stop-lending notice is liable to the claimant in an amount equal to the lowest of the following amounts:

(1) the amount of construction financing disbursed, advanced, or otherwise provided by the lender after receipt of the claimant's stop-lending notice; if there are two or more stop-lending notices when the disbursement occurs, the lender's liability to each claimant is based on the claimant's ranking under AS 34.35.112;

(2) the amount owed to the claimant, including interest, costs, and attorney's fees, for labor, material, service, or equipment furnished for the project by the claimant as established by a written agreement signed on or after the date of the stop-lending notice by the claimant, the owner and the prime contractor with whom or through whom the claimant or the claimant's debtor has contracted or by a final judgment in an action in which the owner, the claimant, and the claimant's debtor are named and, if necessary, served parties;

(3) 150 percent of the amount stated in the stop-lending notice.

(d) Within 10 days after receiving the written agreement or a certified copy of the judgment under (c)(2) of this section establishing the amount owed to a claimant from whom it has a binding stop-lending notice, a lender shall send to the claimant a verified statement showing, by date and amount, all construction financing provided by the lender for the project. Except as provided in (e) of this section, the lender shall include with the statement payment in the amount of the lender's liability to the claimant under (c) of this section.

(e) If there are two or more claimants to whom a lender is or may be liable under (c) of this section and the lender is uncertain as to the amount of its liability or possible liability to each, the lender may bring an action to require the claimants to interplead their claims.

(f) A draw against construction financing may be made only after certification of job progress is delivered to the lender by the owner. The form of the certification may be prescribed by the lender and must include

(1) a statement of the progress of the project, including the percentage of completion of the project;

(2) the name, address, and telephone number of each prime contractor who has furnished labor, material, service, or equipment for the project;

(3) the amount owed by the owner to each listed prime contractor; and

(4) the portion of the draw that the owner will pay to each listed prime contractor.

(g) The owner shall use each draw as indicated in the certificates given by the owner to the lender under (f) of

this section. The lender may not be required to verify the information in a certificate and is not liable for an error in a certificate.

(h) An owner who intentionally fails to apply construction financing proceeds as indicated by the certificate required under (f) of this section is guilty of a class A misdemeanor. The penalty provided under this subsection does not replace any other penalty that may be provided for by law for the same conduct.

(i) Within 10 days after being requested, a lender shall provide a person who has given the lender a stop-lending notice with a copy of

(1) each certificate received by the lender under (f) of this section; and

(2) a verified certificate stating the amount of construction financing proceeds committed by the lender for the project that have not been disbursed by the lender.

(j) The lender may not provide construction financing proceeds for payment of indebtedness of the owner that is not incurred for the project.

Section 34.35.064. Notice of right to lien.

(a) Before furnishing labor, material, service, or equipment for a project, a person may give a notice of right to lien to the owner or owner's agent. If the notice is given in accordance with this section, the owner has the burden of proof to show that the owner did not know of or consent to the furnishing of the labor, material, service, or equipment by the claimant in an action to foreclose the claimant's lien on the property under AS 34.35.050—34.35.120. Otherwise the claimant has the burden of proof to show that the owner knew of and consented to the furnishing of the labor, material, service, or equipment. The notice of right to lien must be in writing, state that it is a notice of a right to assert a lien against real property for labor, materials, services, or equipment furnished in connection with a project, and contain

(1) a legal description sufficient for identification of the real property;

(2) the name of the owner;

(3) the name and address of the claimant;

(4) the name and address of the person with whom the claimant contracted;

(5) a general description of the labor, materials, services, or equipment provided or to be provided;

(6) a statement that the claimant may be entitled to record a claim of lien; and

(7) the following statement in type no smaller than that used in providing the information required by (1)—
(6) of this subsection: **WARNING:** Unless provision is made for payment of sums that may be due to the undersigned, your above property may be subject to foreclosure to satisfy those sums even though you may pay a prime contractor or other person for the labor, material, service, or equipment furnished by the undersigned.

(b) Upon request from an owner, lender, or prime contractor, a claimant who has given a notice of right to lien under this section shall disclose to the requester within five days the most recent accounting of the amount due and unpaid to that claimant under the terms of the contract and a description of labor, materials, services, or equipment that the claimant reasonably anticipates furnishing.

Section 34.35.065. Notice of nonresponsibility.

(a) A building or improvement mentioned in AS 34.35.050 constructed with the knowledge of the owner of the land or the person having or claiming an interest in the land is considered to be constructed at the instance of the owner or person having or claiming the interest.

(b) The interest owned or claimed is subject to a lien recorded under AS 34.35.050—34.35.120, unless

(1) the owner or person having or claiming an interest in the land gives notice within three days after the owner or other person obtains knowledge of the construction, alteration, or repair that the owner or other person will not be responsible for it, by posting a notice to that effect in writing in some conspicuous place upon the land or upon the building or other improvement located on the land;

(2) the notice is signed by the owner or person having or claiming an interest in the land in the presence of two attesting witnesses or acknowledged by the owner or other person before a notary public;

(3) the posting of notice is attested to by a witness; and

(4) an attested or notarized copy of the notice is recorded with the recorder of the recording district in which the land, building, or other improvement is located within three days after the posting of the notice.

Section 34.35.067. Recording notice of right to lien.

A notice of right to lien may be recorded by a claimant at any time after the claimant enters into a contract for or first furnishes labor, material, service, or equipment in connection with a project. The notice shall be recorded in the same manner as specified for the recording of a claim of lien under AS 34.35.070.

Section 34.35.068. Time periods for claiming liens.

(a) If a notice of completion is not recorded by the owner as provided in AS 34.35.071, a claim of lien shall be recorded not later than 120 days after the claimant

(1) completes the construction contract; or

(2) ceases to furnish labor, material, services, or equipment for the construction, alteration, or repair of the owner's property.

(b) If a notice of completion is recorded by the owner as provided in AS 34.35.071,

(1) the following shall record a claim of lien or a notice of right to lien not later than 15 days after the notice of completion is recorded:

(A) a claimant who has received advance notification of the date that the notice of completion is recorded as provided in AS 34.35.071(a)(2);

(B) a claimant who has not given a notice of right to lien as permitted in AS 34.35.064;

(2) the following shall record a claim of lien not later than the time specified in (a) of this section:

(A) a claimant who records a notice of right to lien before or within the period specified in (1) of this subsection;

(B) a claimant who has given a notice of right to lien but who has not received advance notice of the date that the notice of completion is recorded by the owner as provided in AS 34.35.071(a)(2).

(c) A claim of lien is enforceable only if recorded by a claimant within the time specified in (a) or (b) of this section.

Section 34.35.069. Acknowledgment of right to lien.

[Repealed, Sec. 18 ch 102 SLA 1986].

Section 34.35.070. Claim of lien.

(a) A claimant may record a claim of lien after entering into a contract for a project. A claim of lien may not be recorded later than the time specified under AS 34.35.068.

(b) [Repealed, § 9 ch 61 SLA 1979.]

(c) The lien shall be verified by the oath of the claimant or another person having knowledge of the facts and state

(1) the real property subject to the lien, with a legal description sufficient for identification;

(2) the name of the owner;

(3) the name and address of the claimant;

(4) the name and address of the person with whom the claimant contracted;

(5) a general description of the labor, materials, services, or equipment furnished for the construction, alteration, or repair, and the contract price of the labor, materials, services, or equipment;

(6) the amount due to the claimant for the labor, materials, services, or equipment; and

(7) the date the last labor, materials, services, or equipment were furnished.

(d) [Repealed, § 19 ch 175 SLA 1978.]

(e) [Repealed, § 19 ch 175 SLA 1978.]

(f) A violation of the provisions of this section places the violator in the position of guarantor regarding another person who suffers damages that are proximately caused by the violation.

Section 34.35.071. Notice of completion.

(a) The owner of real property that may be subject to a lien under AS 34.35.050—34.35.120 may announce the date of completion of the project by

(1) recording a notice of completion after completion of the project in the office of the recorder of the district in which the real property is situated; and

(2) giving notice at least five days before the recording of the notice of completion to all claimants who have given a notice of right to lien or a stop-lending notice to the owner and the lender prior to 10 days before recording a notice of completion; the notice must include a copy of the notice of completion and a statement advising claimants that a notice of completion will be recorded not earlier than five days after the date of the notice.

(b) The notice of completion shall be signed and verified by the owner, and must state

- (1) the date of completion of the building or other improvement;
- (2) the name and address of the owner;
- (3) the nature of the interest or estate of the owner;
- (4) the legal description of the property sufficient for identification; and
- (5) the name of the general contractor.

(c) [Repealed, § 9 ch 61 SLA 1979.]

(d) A notice of completion is not effective if recorded before completion.

(e) Labor, materials, services, or equipment furnished after a notice of completion is recorded to satisfy warranty obligations or to remedy defective or unsatisfactory construction, alterations, or repairs for which no additional consideration is owed to the person furnishing the additional labor, materials, services, or equipment does not result in lien liability under AS 34.35.050—34.35.120.

(f) After recording a common interest community declaration under AS 34.08, an owner may record a notice of completion under this section as to each unit after completion of the original construction of each unit of the common interest community.

Section 34.35.072. Bond.

If the owner of the property sought to be charged with a claim of lien under AS 34.35.050—34.35.120, or a prime contractor or subcontractor disputes the correctness or validity of the claim of lien brought under AS 34.35.050—34.35.120, the owner or contractor may record either before or after the commencement of an action to enforce the claim of lien, in the office of the recorder in which district the claim of lien was recorded, a bond executed by a person authorized to issue surety bonds in this state under AS 21, a financial institution licensed under AS 06, or a national bank authorized under the federal banking laws, in the penal sum equal to one and one-half times the amount of the claim of lien, which bond shall guarantee the payment of the sum that the lien claimant has claimed, together with the lien claimant's reasonable cost of suit in the action, if the claimant recovers on the claim of lien. If the owner records a bond under this section, the property described in the bond is freed from the effect of a claim of lien under AS 34.35.050—34.35.120 and an action brought to foreclose the claim of lien. The principal on the bond may be the owner of the property, the prime contractor, or a subcontractor who is affected by the claim of lien.

Section 34.35.074. Civil suits.

(a) A person injured by a violation of AS 34.35.050—34.35.120 may bring a civil action

(1) except as provided in AS 34.35.062(c), for actual and consequential damages that are proximately caused by the violation plus costs, including reasonable attorney fees;

(2) to enjoin the violation, and if the person prevails, the person shall be awarded costs, including reasonable attorney fees.

(b) A claimant who gives a stop-lending notice or has a claim of lien recorded under AS 34.35.075 and who fails to promptly revoke the stop-lending notice or remove the claim of lien from the record upon receiving payment in full on the claim or discovering that the stop-lending notice or claim of lien is in error, unjust, premature, or excessive is liable for actual and consequential damages caused by giving the stop-lending notice or improperly recorded claim of lien plus costs, including reasonable attorney fees.

Section 34.35.075. Record and index of claim.

The recorder shall record the claim in a book kept for that purpose. The records shall be indexed as deeds and other conveyances are required by law to be indexed. The recorder is entitled to the same fees allowed by law for recording deeds and other instruments.

Section 34.35.080. Duration of lien.

(a) A lien provided for in AS 34.35.050—34.35.120 does not bind real property for more than six months after the claim of lien is recorded, unless an action is commenced in the proper court to enforce the lien within

(1) that time; or

(2) six months after recording of an extension notice in the same recording office within the original six-month period showing the recording date and the book and page or instrument number or serial number of the initial claim of lien, and the balance owing.

(b) [Repealed, § 18 ch 102 SLA 1986.]

(c) A lien whose duration is extended by commencement of an action under (a) of this section is void as against a person who, after the commencement of the action and without knowledge or actual notice of its pendency, acquires an interest in the subject property in good faith for valuable consideration, unless a notice of the pendency of the action has been duly filed for record before the time the person’s conveyance is duly filed for record. Notice of the pendency of the action must conform to the requirements of AS 09.45.940.

Section 34.35.085. Lien for improving lot or street.

A person who, at the request of the owner of a lot in the state, grades, fills in, or improves the lot or the street in front of or adjoining the lot has a lien upon the lot for work done and materials furnished. The provisions of AS 34.35.050—34.35.120 for securing and enforcing the mechanic’s lien apply to the lien provided by this section.

Section 34.35.090. Payment to contractor.

A payment by the owner of a building or structure to a prime contractor or subcontractor, made before 120 days from the completion of the building, is not valid to defeat or discharge a lien created by AS 34.35.050—34.35.120 in favor of other claimants, unless the payment is distributed among the other claimants. If a payment is distributed in part only, then the payment is valid only to the extent it is distributed.

Section 34.35.095. Amount of lien.

(a) Except as provided in (c) of this section, a claimant may recover upon a lien recorded by the claimant only the amount due to the claimant according to the terms of the contract, after deducting all claims of other persons claiming through the claimant for work done and materials furnished.

(b) [Repealed, § 9 ch 61 SLA 1979.]

(c) An individual may recover upon a lien recorded by the individual only the amount due according to the terms of the employment.

Section 34.35.100. Action against contractor on lien.

(a) Where a lien is recorded under AS 34.35.050—34.35.120 for work done or materials furnished to a prime contractor, the prime contractor shall defend an action at the expense of the prime contractor, and during the pendency of the action the owner may withhold from the prime contractor the amount of money for which the lien is recorded.

(b) If judgment is given against the owner or the property of the owner upon the liens, the owner may deduct from the amount due or to become due by the owner to the prime contractor the amount of the judgment and costs.

(c) If the amount of the judgment and costs exceeds the amount due by the owner to the prime contractor, or if the owner settles with that contractor in full, the owner may recover back from the prime contractor an amount paid by the owner in excess of the contract price, and for which the prime contractor was originally liable.

Section 34.35.105. Materials not subject to process.

When a mechanic, artisan, machinist, builder, lumber merchant, contractor, laborer, or other person furnishes or procures materials for use in the construction, alteration, or repair of a building or other improvement, the materials are not subject to attachment, execution, or other legal process to enforce a debt due by the purchaser of the materials except a debt due for the purchase money thereof, so long as the materials have been or are about to be applied in good faith to the construction, alteration, or repair of the building or other improvement.

Section 34.35.110. Actions to enforce liens.

(a) An action to enforce a lien created by AS 34.35.050—34.35.120 shall be brought in the superior court. The pleadings, process, practice, and procedure are the same as in other cases. Each claimant is entitled to execution for the balance due after distribution. The clerk of the superior court, upon demand, shall issue the execution after the return of the officer making the execution showing the balance due.

(b) In an action under AS 34.35.050—34.35.120 the court shall, upon entering judgment for the plaintiff, allow as a part of the costs all money paid for the filing and recording of the lien and a reasonable amount as attorney fees. An action to enforce a lien created by AS 34.35.050—34.35.120 has preference upon the calendar of civil actions of the court and shall be tried without unnecessary delay.

(c) In an action to enforce a lien created by AS 34.35.050—34.35.120 all persons personally liable and all lienholders whose claims have been filed for record under AS 34.35.070 shall be made parties; all other persons interested in the matter in controversy or in the property sought to be charged with the lien may be made parties. However, those persons who are not made parties are not bound by the proceedings. The proceedings upon the foreclosure of a lien created by AS 34.35.050—34.35.120 shall, as nearly as possible, conform to the proceedings of a foreclosure of a mortgage lien upon real property.

Section 34.35.112. Payment of claimant's liens.

(a) If more than one lien created under AS 34.35.050—34.35.120 is claimed against property, the court in its judgment shall declare the rank of each lien or class of liens in the following order:

- (1) all persons other than prime contractors or subcontractors with lien rights under AS 34.35.050(1);
- (2) the trustees of employment benefit trusts for persons described in (1) of this subsection;
- (3) all materialmen and subcontractors;
- (4) persons described in AS 34.35.050(5) and prime contractors, other than the general contractor;
- (5) the general contractor.

(b) For purposes of AS 34.35.050—34.35.120, if the proceeds of the foreclosure sale of the property are insufficient to pay the lien claims of all persons who have recorded claims of lien, the

- (1) liens of all individuals with lien rights under AS 34.35.050(1) shall first be paid in full, or pro rata if the proceeds are insufficient to pay them in full;
- (2) liens of trustees of employment benefit trusts for persons described in (1) of this subsection shall be paid in full or pro rata if the proceeds are insufficient to pay them in full;
- (3) liens of materialmen and subcontractors shall be paid in full or pro rata if the proceeds are insufficient to pay them in full;
- (4) liens of persons described in AS 34.35.050(5) and prime contractors other than the general contractor, shall be paid in full or pro rata if the remainder is insufficient to pay them in full; and
- (5) lien of the general contractor shall be paid out of the balance.

(c) For purposes of AS 34.35.050—34.35.120, if the proceeds of the foreclosure sale of the property are sufficient to pay the lien claims of all persons who have recorded claims of lien, the balance shall be paid to the person who owned the property before the foreclosure sale.

Section 34.35.114. Obligation of claimant and lender to provide information.

(a) A prime contractor, on request, shall provide the following information within five days to any person entitled to claim a lien through the prime contractor:

- (1) a description of the real property being improved sufficient to identify the property;
- (2) the name and address of the owner with whom the prime contractor contracted;
- (3) the name and address of the lender providing construction financing; and
- (4) whether there is a payment bond and, if so, the name of the surety.

(b) At the request of any person who may claim a lien through a claimant other than a prime contractor, the claimant shall provide, within five days, the name of the person who contracted for the furnishing by the claimant of the labor, materials, services, or equipment from which a lien claim may arise.

(c) A person who receives a stop-lending notice or notice of right to lien identifying a project for which the person is not the lender shall notify the claimant in writing within 10 days after receipt of the notice that the

person is not the lender.

(d) A claimant shall, within 10 days after receipt of a request, provide an owner or lender to whom the claimant has given a stop-lending notice or notice of right to lien a written statement of the amount due to the claimant and unpaid.

(e) [Repealed, § 18 ch 102 SLA 1986.]

Section 34.35.115. Persons considered agent of owner.

Every contractor, subcontractor, architect, builder, or other person having charge of the construction, alteration, or repair, in whole or in part, of a building or other improvement as provided in AS 34.35.050 and 34.35.085, is considered to be the agent of the owner for the purposes of AS 34.35.050—34.35.120.

Section 34.35.117. Waiver of lien rights.

(a) Except as provided under (b) of this section, a written waiver of lien or stop-lending notice of rights created under AS 34.35.050—34.35.120 signed by a claimant requires no consideration and is valid and binding. A waiver permitted under this section may not relate to labor, materials, services, or equipment furnished after the date the waiver is signed by the claimant.

(b) An individual described in AS 34.35.120(10) may not waive right to claim a lien under AS 34.35.050—34.35.120. A waiver that purports to waive the lien rights of that individual or class of individuals is void.

Section 34.35.118. Claimant liability.

[Repealed, Sec. 18 ch 102 SLA 1986].

Section 34.35.119. Waiver of liens on unsold common interest community units.

(a) A lien created under AS 34.35.050—34.35.120 arising out of original construction that becomes subject to AS 34.07 or AS 34.08 before the first sale of a unit within a common interest community after commencement of construction shall be subject to the provisions of this section.

(b) Subject to (c) of this section, a claimant who claims a lien against an entire common interest community shall release that portion of the lien claim that relates to a particular unit within a common interest community selected by the owner of the unsold common interest community units after the claimant receives a partial payment of the lien claim that is equal to 115 percent of the amount determined

(1) if the common interest community has been established under AS 34.07 by

(A) dividing the surface area of the common areas and facilities attendant to the common interest community unit by the surface area of all common areas and facilities of the common interest community building; and

(B) multiplying the result obtained in (A) of this paragraph by the total amount of the claimant's lien claim;

(2) by the allocated interest in the common expenses if the common interest community has been established under AS 34.08.

(c) A lien claimant is not required to waive a portion of the lien claim under this section unless the amount of indebtedness secured by a prior encumbrance against the common interest community building held by a construction lender is also reduced by an amount calculated in the same manner as provided in (b) of this section.

Section 34.35.120. Definitions.

In AS 34.35.050—34.35.120,

(1) "building or other improvement," includes a wharf, bridge, ditch, flume, tunnel, fence, well, land clearing, machinery, aqueduct to create hydraulic power, or for mining or other purposes, and all other structures and superstructures;

(2) "completion" means the cessation of the performance of labor or services or the furnishing of material or equipment on the building or other improvement to be constructed, altered, or repaired and includes, but is not limited to, the following:

(A) the occupation or use by the owner or an agent of the owner of the building or other improvement constructed, altered, or repaired accompanied by cessation of the furnishing of labor, services, material, or

equipment on the building or improvement;

(B) the acceptance by the owner or an agent of the owner of the construction, alteration, or repair after labor, service, material, or equipment is furnished; or

(C) the issuance of a certificate of occupancy for a building by a municipality empowered to issue that certificate accompanied by cessation of the furnishing of labor, services, material, or equipment on the building or improvement;

(3) "construction, alteration, or repair", includes partial construction, and all repairs done in and upon a building or other improvement;

(4) "construction financing" means money loaned or other credit extended to an owner secured by an encumbrance on real property to finance a project on that real property;

(5) "contract price" means the amount agreed upon by the contracting parties for furnishing services, labor, materials, or equipment covered by the contract, increased or diminished by the price of change orders, extras, or amounts attributable to altered specifications; if no price is agreed upon by the contracting parties, "contract price" means the reasonable value of all services, labor, materials, or equipment covered by the contract;

(6) "draws" means periodic disbursements of construction financing by a lender;

(7) "encumbrance" means a mortgage, deed of trust, or lien arising other than under AS 34.35.050—34.35.120;

(8) "general contractor" means a person who is a prime contractor and who has the responsibility for supervising all other contractors furnishing labor, materials, services, or equipment in connection with the construction, alteration, or repair of a building or other improvement;

(9) "give notice" means to mail a notice required under AS 34.35.050—34.35.120 by first-class mail and by using a form of mail requiring a signed receipt, or to deliver the notice and obtain a receipt signed by the person to whom it is directed or an agent of that person; a notice is effective when given or delivered to

(A) a lender at the address designated in the encumbrance securing that lender;

(B) an owner at the last known address of the owner;

(C) a prime contractor at the last known address of the prime contractor;

(D) a potential lien claimant at the address specified in a stop-lending notice or notice of right to lien or claim of lien;

(10) "individual" means a natural person who actually performs labor upon a building or other improvement as an employee of the owner or any contractor furnishing labor, materials, services, or equipment for the construction, alteration, or repair of a building or other improvement;

(11) "lender" means any person providing construction financing;

(12) "materialman" means a person who furnishes materials used in the construction, alteration, or repair of the owner's real property;

(13) "owner" means a person who owns real property or a possessory interest in real property and who enters into a contract, express or implied, for a project on that property;

(14) "potential lien claimant" or "claimant" means any person entitled to assert lien rights under AS 34.35.050—34.35.120;

(15) "prime contractor" means a person who enters into a contract directly with an owner to furnish labor, materials, services, or equipment for the construction, alteration, or repair of a building or other improvement on the owner's real property;

(16) "project" means construction, alteration, or repair of an improvement on real property or work done to enhance the real property itself;

(17) "subcontractor" means a person who enters into a contract with a prime contractor to furnish labor, services, or equipment for the construction, alteration, or repair of a building or other improvement on the owner's real property and does not include a materialman.