

## STATEMENT FROM STUART S. ZISHOLTZ

The parties to a construction contract have the ability to control their own destiny. The general contractor usually prepares the contract and sends it to the subcontractor for review and execution. Many times a subcontractor confirms the amount in the contract and a few minor details pertaining to the location of the Project and the scope of the work. Unfortunately, most subcontractors do not read the fine print and fall into a trap.

Recently, there has been an abundance of construction contracts which we have reviewed which contain a shorten Statute of Limitations clause. The most recent contracts contain a one-year Statute of Limitations to commence an action against the general contractor from the time the subcontractor completed its work, the issuance of a temporary Certificate of Occupancy or the date that the contract is terminated, whichever is earlier.

The ramifications of the shortened Statute of Limitations is obvious. By the time the subcontractor files a Mechanic's Lien and decides to pursue a claim, his rights may have been vitiated.

These shorten Statute of Limitations clauses are enforceable by the courts. The parties to a contract have the ability to reduce the Statute of Limitations. The failure by the subcontractor to review the contract and understand the terms and conditions was detrimental to their claim.

If you believe that the general contractor will do the right thing or overlook the reduced Statute of Limitations, you are mistaken. The general contractor incorporated the clause in your contract with the sole purpose of avoiding litigation and benefitting from your ignorance.

Never let your lien time run out!

For a free copy of a pamphlet pertaining to mechanic's lien and payment bond claims, kindly contact me or the Association.