

In *William A. Hazel, Inc. v. Sycolin Center, LLC*, a site subcontractor had filed a disclosure statement in the land records division regarding three lots (1, 2, and 3), just after the sale of Lot 1. The disclosure statement identified the total contract price, \$2,873,376.95, with \$957,792.30 apportioned to each lot. Thereafter, the owner paid the site subcontractor via a single check in the amount of \$1,958,170, which was not apportioned between the three lots. The subcontractor then filed mechanic's liens against Lots 2 and 3 in the remaining amount of \$410,510.37 per lot, without apportioning any of the remaining indebtedness to the previously-sold Lot 1. On the owner's petition to dismiss the liens as improperly perfected, the circuit court ruled that the subcontractor should have apportioned the remaining indebtedness evenly amongst the original three lots which thus required invalidation of the mechanic's lien. On appeal, the Supreme Court reversed, holding that the statutory fractional formula was a provision setting the outside limit of the amount that may be claimed against any lot. Since the subcontractor's claim upon each lot (\$410,510.37) was within the disclosure statement's upper limit of \$957,792.30 per lot, and no amounts were claimed against the previously-sold Lot 1, the subcontractor's memoranda of mechanic's liens were valid. In a footnote in its opinion, the Supreme Court noted that the July 1, 2012 amendments to Va. Code § 43-3 clarified the legislative intent and generally resolved, for the future, the questions presented in the appeal.

Thus, as the *William A. Hazel, Inc.* decision demonstrates, the July 1, 2012 amendments substantially expand the mechanic's lien rights of site improvement contractors performing work on developments or condominium units. The Va. Code § 43-3(B) disclosure statement upper limit is changed from the amount "claimed" to the amount "contracted for," and joint payments without a designation of allocation are to be applied first to lots previously sold. These changes, combined with the amendments' removal of common areas from the allocation calculations for the disclosure statement, effectively maximize the amount lienable by the site improvement contractor.