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### COLORADO

## CONSTRUCTION or MECHANICS LIEN FORMS

**PACKAGE** 

# CONTRACTOR EDITION (sole proprietor)

Control Number: CO-P091-PKG





U.S. Legal Forms<sup>™</sup> thanks you for your purchase of a Construction Lien Forms Package. This package is an important tool to help you with the legal issues that may arise between a contractor who performs services and/or supplies materials or equipment to a property but is not paid for the services/materials/equipment. This package includes state specific forms for a contractor operating as a sole proprietor or individual.

#### TABLE OF CONTENTS

1.	Form List with descriptions

II. Descriptions of Forms

III. Tips on Completing the Forms

IV. Disclaimer

#### I. FORM LIST

With your Construction Lien Package, you will find many of the forms that are necessary to protect your legal rights or claims to secure and enforce a lien on property for unpaid services and/or materials or equipment.

Included in your package are the following forms:

- 1. Memorandum of Contract
- 2. Lien Statement
- 3. Affidavit of Continuing Improvements
- 4. Notice of Lien Claim
- 5. Termination of Notice of Lien
- 6. Request for Satisfaction of Lien
- 7. Acknowledgment of Satisfaction of Lien
- 8. Notice of Bond
- 9. Release of Lien Pursuant to Notice of Bond
- 10. Assignment of Lien
- 11. Unconditional Waiver and Release Upon Final Payment
- 12. Unconditional Waiver and Release Upon Progress Payment
- 13. Conditional Waiver and Release Upon Final Payment

14. Conditional Waiver and Release Upon Progress Payment 15. Notice of Lis Pendens 16. Demand of Supplier of Materials, Machinery, Tools, Laborers, or Services for Information Regarding Owner, Disburser, and Principal Contractor 17. Response to Demand of Supplier of Materials, Machinery, Tools, Laborers, or Services for Information Regarding Owner, Disburser, and Principal Contractor 18. Notice to Disburser by Lien Claimant

#### II. DESCRIPTIONS OF FORMS

Brief descriptions of the forms contained in your U.S. Legal Forms™ Construction Lien Package are found below.

Memorandum of Contract - Pursuant to Colorado Revised Statute section 38-22-101(3) all construction contracts in which more than \$500 is to be paid must be recorded in the office of the county clerk. This filing may be accomplished by filing the actual contract or a memorandum thereof. Failure to make such a filing will result in the legal assumption that all labor performed or materials supplied were at the insistence of the owner, and parties performing labor or supplying materials were granted a lien for the value thereof.

<u>Lien Statement</u> - This sworn statement is used by an individual desiring to claim a lien against a piece of property for labor performed or laborers or material furnished. A notice of intent to file a lien must be filed with the county recorder ten days prior to the filing of the lien statement.

Affidavit of Continuing Improvements - Pursuant to Colorado Revised Statute section 38-22-109(8), a lien is only effective for one year from the date of filing. This period may be extended by the filing of an affidavit which attests that improvements on the property have not been completed. This affidavit must be filed within 30 days of the one year anniversary of the original lien filing.

Notice of Lien Claim - Pursuant to Colorado Revised Statute section 38-22-109(10), a party otherwise entitled to a lien may file with the clerk or county recorder notice that the lien claimant may file a lien statement. This notice properly filed serves to extend the time a lien claimant may file his lien statement to four months after completion of improvements or six months after the filing of this notice whichever comes first.

<u>Termination of Notice of Lien</u> - Colorado Revised Statute section 38-22-109(10) allows a potential lien holder to file a Notice of Lien Claim. Upon the termination of an agreement to provide labor, materials, or laborers, an owner may demand pursuant to section 38-22-109(11) that the party filing the Notice of Lien Claim file a termination of that notice. The termination should be filed in the office of the county clerk or recorder where the original notice was recorded.

Request for Satisfaction of Lien - When a property owner has paid the amount stated in a filed Lien Statement, the property owner may request the party who filed the lien to file an Acknowledgement of Satisfaction. This form is used to request that a person who has filed a Lien Statement file a satisfaction of that lien claim.

Acknowledgment of Satisfaction of Lien - Pursuant to Colorado Revised Statute section 38-22-118, an individual who has previously filed a lien statement must file an Acknowledgment of Satisfaction after payment in full of the amount attested to in the lien statement, including the cost of filing and recording said lien. Failure to file this acknowledgment within ten (10) days of the request of the property owner to do so may result in a statutory penalty of \$10.00 per day being assessed against the lien claimant.

<u>Notice of Bond</u> - In order to be effective, a notice of bond shall be filed with the county clerk and recorder of the county in which the work is taking place prior to commencement of work. The principal contractor shall post a notice on the property that notice of such bond has been filed

with the county clerk and recorder and shall make available copies of the bond to every contractor, subcontractor, materialman, mechanic, or laborer upon request.

Release of Lien Pursuant to Notice of Bond - Pursuant to Colorado Revised Statute section 38-22-129(4), a construction lien may be deemed released upon the filing of a statement by the contractor and his surety that a satisfactory bond is in place and that the lien claimant is entitled to the benefits of said bond.

<u>Assignment of Lien</u> - Colorado Revised Statute section 38-22-117 permits a lien claimant to assign his claim and lien to another party who will have all the rights and remedies of the assignor. This assignment may be made before or after the filing of a statement of lien.

Unconditional Waiver and Release Upon Final Payment - This Unconditional Waiver and Release Upon Final Payment form is for use by an individual or corporation who has been paid in full for all labor, services, equipment or material furnished to the sub-contractor or agent on the job of the contractor or general contractor located at the customer's or owner's property, to waive and release any right to a mechanic's lien, stop notice, or any right against a labor and material bond on the job. This release covers the final payment for all labor, services, equipment, or material furnished to the customer through a specific date only and does not cover any retentions retained before or after the release date, extras furnished before the release date for which payment has not been received or extras or items furnished after the release date. Rights based upon work performed or items furnished under a written change order which has been fully executed by the parties prior to the release date are covered by this release unless specifically reserved by the claimant in this release.

Unconditional Waiver and Release Upon Progress Payment - This Unconditional Waiver and Release Upon Progress Payment form is for use by an individual or corporation who has been paid and has received a progress payment for labor, services, equipment or material furnished to a sub-contractor or agent on the job of the contractor or general contractor located at the customer's or owner's property, to waive and release any right to a mechanic's lien, stop notice, or any right against a labor and material bond on the job. This release covers a progress payment for labor, services, equipment, or materials furnished to the customer through a specific date only and does not cover any retentions retained before or after the release date, extras furnished before the release date for which payment has not been received or extras or items furnished after the release date. Rights based upon work performed or items furnished under a written change order which has been fully executed by the parties prior to the release date are covered by this release unless specifically reserved by the claimant in this release.

Conditional Waiver and Release Upon Final Payment - This Conditional Waiver and Release Upon Final Payment form is for use by an individual or corporation who has been paid in full for all labor, services, equipment or material furnished to the sub-contractor or agent on the job of the contractor or general contractor located at the customer's or owner's property, to waive and release any right to a mechanic's lien, stop notice, or any right against a labor and material bond on the job. This release covers the final payment for all labor, services, equipment, or material furnished on the job, except for disputed claims for additional work in a certain amount.

<u>Conditional Waiver and Release Upon Progress Payment</u> - This Conditional Waiver and Release Upon Progress Payment form is for use by an individual or corporation who has been paid and has received a progress payment for labor, services, equipment or material furnished to the sub-contractor or agent on the job of the contractor or general contractor located at the customer's or owner's property, to waive and release any right to a mechanic's lien, stop notice,

or any right against a labor and material bond on the job. This release covers a progress payment for labor, services, equipment, or materials furnished to the customer, through a particular date only and does not cover any retentions retained before or after the release date, extras furnished before the release date for which payment has not been received, or extras or items furnished after the release date. Rights based upon work performed or items furnished under a written change order which has been fully executed by the parties prior to the release date are covered by this release unless specifically reserved by the claimant in this release.

<u>Notice of Lis Pendens</u> - This Notice of Lis Pendens form is for use by an individual to provide notice of the pendency of an action affecting the title to or the right of possession of real property. The notice includes the name of the court where the action has been commenced, the parties to the action and the location and legal description of the property affected by the action.

Demand of Supplier of Materials, Machinery, Tools, Laborers, or Services for Information Regarding Owner, Disburser, and Principal Contractor - This Demand of Supplier of Materials, Machinery, Tools, Laborers, or Services for Information Regarding Owner, Disburser, and Principal Contractor form is for use by an individual from whom labor, services, machinery, tools, equipment, laborers, or materials have been ordered or contracted to be used in the improvement of property, to demand a statement from the person who has ordered or contracted the same, of the name, address, and telephone number of the owner or reputed owner of the land to be improved; the name, address and telephone number of the principal contractor, if any; the name, address and telephone number of the disburser, if any; and a legal description or the address, if any, of the land to be improved.

Response to Demand of Supplier of Materials, Machinery, Tools, Laborers, or Services for Information Regarding Owner, Disburser, and Principal Contractor - This Response to Demand of Supplier of Materials, Machinery, Tools, Laborers, or Services for Information Regarding Owner, Disburser, and Principal Contractor form is for use by an individual who has ordered or contracted for labor, services, machinery, tools, equipment, laborers, or materials to be used in the improvement of property, to respond to the Demand of Supplier of Materials, Machinery, Tools, Laborers, or Services for Information Regarding Owner, Disburser, and Principal Contractor. This response includes the name, address, and telephone number of the owner or reputed owner of the land to be improved; the name, address and telephone number of the disburser, if any; and a legal description or the address, if any, of the land to be improved.

Notice to Disburser by Lien Claimant - This Notice to Disburser by Lien Claimant is for use by an individual lien claimant to provide notice that he or she is entitled to a lien for labor performed, materials supplied or laborers furnished, for the purposes of improvements of property, which were the result of a contract. This notice includes the location and legal description of the property, the names of the party who contracted for such improvements, and the terms of the contract.

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#### III. TIPS ON COMPLETING THE FORMS

The form(s) in this packet may contain "form fields" created using Microsoft Word or Adobe Acrobat (".pdf" format). "Form fields" facilitate completion of the forms using your computer. They do not limit your ability to print the form "in blank" and complete with a typewriter or by hand.

It is also helpful to be able to see the location of the form fields. Go to the View menu, click on Toolbars, and then select Forms. This will open the Forms toolbar. Look for the button on the Forms toolbar that resembles a shaded letter "a". Click this button and the form fields will be visible.

By clicking on the appropriate form field, you will be able to enter the needed information. In some instances, the form field and the line will disappear after information is entered. In other cases, it will not. The form was created to function in this manner.

#### IV. DISCLAIMER

These materials were developed by U.S. Legal Forms, Inc. based upon statutes and forms for the subject state. All information and Forms are subject to this Disclaimer:

All forms in this package are provided without any warranty, express or implied, as to their legal effect and completeness. Please use at your own risk. If you have a serious legal problem, we suggest that you consult an attorney in your state. U.S. Legal Forms, Inc. does not provide legal advice. The products offered by U.S. Legal Forms (USLF) are not a substitute for the advice of an attorney.

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