

**Figure: 7 TAC §90.604(a)(12)**

NOTICE OF CONFIDENTIALITY RIGHTS: I MAY REMOVE OR STRIKE MY SOCIAL SECURITY NUMBER OR MY DRIVER'S LICENSE NUMBER FROM THIS DOCUMENT BEFORE IT IS FILED IN THE PUBLIC RECORDS.

**TEXAS HOME IMPROVEMENT  
MECHANIC'S LIEN CONTRACT FOR IMPROVEMENT  
AND POWER OF SALE  
(Second Lien)**

DATE \_\_\_\_\_  
ACCOUNT/CONTRACT NO. \_\_\_\_\_

**DEFINITIONS**

- (A) "Owner" means (name of Owner), whose address is (address of Owner, including county). If Owner and Maker are not the same person, the word "Owner" includes Maker. "I" or "me" means the Owner.
- (B) "Contractor" means (name of Contractor), whose address is (address of Contractor, including county) and includes those to whom the Contractor has assigned or transferred Contractor's rights and remedies. "You" or "your" means the Contractor.
- (C) "Lender" means (name of Lender), whose address is (address of Lender, including county) and includes those to whom the Lender has assigned or transferred Lender's rights and remedies.
- (D) "Trustee" means (name of Trustee), whose address is (address of Trustee, including county).
- (E) "Property" means the Property at (list address of the Property), whose legal description is (list legal description of the Property).
- (F) "Work" means the construction project as agreed to in writing between the Owner and Contractor.
- (G) "Completion Date" means (date on which the Work will be completed).
- (H) "Contract" means this Texas Home Improvement Mechanic's Lien Contract for Improvement and Power of Sale.

**CONSTRUCTION OF IMPROVEMENTS**

You agree to furnish and pay for all labor and material needed to complete the Work within \_\_\_\_\_ days from the date of this Contract. The Work will be performed on the Property in a good and workmanlike manner.

**CONTRACT PRICE**

I agree to pay, or cause to be paid, to you, or to your order, the sum of \_\_\_\_\_ dollars (U.S. \$ \_\_\_\_\_) when the Work is completed.

**TRANSFER OF LIEN**

You transfer to Lender all of your rights and interests in this Contract.

**COMPLETION BY CONTRACTOR, BUT NOT LENDER**

You will complete the Work by the Completion Date. Lender is not responsible for completing the Work. Lender is not a guarantor of your performance. You will indemnify and hold Lender harmless against all claims related to the Work.

**PARTIAL LIEN**

If you do not complete the Work by the Completion Date in a good and workmanlike manner, then Lender will have a valid lien for the contract price, less the amount reasonably necessary to complete the Work. As an alternative, Lender may choose to complete the Work and the lien will be valid for the contract price.

## CHANGES AND EXTRAS

All labor or material furnished outside of this Contract must be agreed upon in writing or it will be considered as performed under the original Contract and you will receive no extra money.

## RECEIPTS AND RELEASES

If I ask, you will give me valid receipts and releases for the Work from any subcontractor, worker, and supplier.

## NO WORK COMMENCED

This Contract is executed, acknowledged, and delivered before any labor has been performed and any material has been furnished for the Work.

## TRUSTEE'S DUTIES

If you ask Trustee to foreclose this lien, Trustee will:

1. give notice of the foreclosure sale as required by the Texas Property Code;
2. sell and grant all or part of the Property "AS IS":
  - a. to the highest bidder for cash;
  - b. subject to prior liens and exceptions to conveyance and warranty; and
  - c. without representation or warranty;
3. pay the proceeds of the sale, in this order:
  - a. expenses of foreclosure, including Trustee's reasonable fee;
  - b. the unpaid amount of principal, interest, attorneys' fees, and other charges due you;
  - c. any amount required by law to be paid; and
  - d. any balance to me; and
4. be indemnified by you for all costs, expenses, and liabilities incurred by Trustee in performance of Trustee's duties under this Contract.

## NOTICE

**ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.**

*Note: The following notice complies with Texas Property Code §41.007. In this notice, the terms "you" and "your" refer to the Owner.*

**IMPORTANT NOTICE: YOU AND YOUR CONTRACTOR ARE RESPONSIBLE FOR MEETING THE TERMS AND CONDITIONS OF THIS CONTRACT. IF YOU SIGN THIS CONTRACT AND YOU FAIL TO MEET THE TERMS AND CONDITIONS OF THIS CONTRACT, YOU MAY LOSE YOUR LEGAL OWNERSHIP RIGHTS IN YOUR HOME. KNOW YOUR RIGHTS AND DUTIES UNDER THE LAW.**

**STATE LAW REQUIRES THAT A PERSON HOLD A CERTIFICATE OF REGISTRATION FROM THE TEXAS RESIDENTIAL CONSTRUCTION COMMISSION IF THE PERSON CONTRACTS TO CONSTRUCT A NEW HOME OR IF THE PERSON CONTRACTS TO CONSTRUCT A MATERIAL IMPROVEMENT TO AN EXISTING HOME OR CERTAIN IMPROVEMENTS TO THE INTERIOR OF AN EXISTING HOME AND THE TOTAL COST OF THE IMPROVEMENT IS \$10,000 OR MORE (INCLUDING LABOR AND MATERIALS).**

**YOU MAY CONTACT THE COMMISSION AT (877) 651-8722 TO FIND OUT WHETHER THE BUILDER HAS A VALID CERTIFICATE OF REGISTRATION. THE COMMISSION HAS INFORMATION AVAILABLE ON THE HISTORY OF BUILDERS, INCLUDING SUSPENSIONS, REVOCATIONS, COMPLAINTS, AND RESOLUTION OF COMPLAINTS.**

**THIS CONTRACT IS SUBJECT TO CHAPTER 426, PROPERTY CODE. THE PROVISIONS OF THAT CHAPTER GOVERN THE PROCESS THAT MUST BE FOLLOWED IN THE EVENT A DISPUTE ARISES OUT OF AN ALLEGED CONSTRUCTION DEFECT. IF YOU HAVE A COMPLAINT CONCERNING A CONSTRUCTION DEFECT YOU MAY CONTACT THE COMMISSION AT THE TOLL-FREE TELEPHONE NUMBER TO LEARN HOW TO PROCEED UNDER THE STATE-SPONSORED INSPECTION AND DISPUTE RESOLUTION PROCESS.**

**If Contractor is required to register as a builder with the Texas Residential Construction Commission, Owner may file a complaint with the Commission about the conduct of the Contractor at:**

**311 E. 14th Street  
P.O. Box 13144  
Austin, Texas 78711  
877-651-TRCC (8722)**

**Contractor's Certificate of Registration Number is: (insert certificate of registration number)**

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Contractor

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

Sworn to and subscribed before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_ by \_\_ (name of owner)\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

(Seal)

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

Sworn to and subscribed before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_ by \_\_ (name of contractor)\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

(Seal)

**ASSIGNMENT**

This lien is transferred and assigned to \_\_ (third party lender)\_\_\_\_\_.

\_\_\_\_\_  
Contractor

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

Sworn to and subscribed before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_ by \_\_ (name of contractor)\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

(Seal)