

**TEX. PROP. CODE § 53.254 STATEMENT**

IF A SUBCONTRACTOR OR SUPPLIER WHO FURNISHES MATERIALS OR PERFORMS LABOR FOR CONSTRUCTION OF IMPROVEMENTS ON YOUR PROPERTY IS NOT PAID, YOUR PROPERTY MAY BE SUBJECT TO A LIEN FOR THE UNPAID AMOUNT IF:

- (1) AFTER RECEIVING NOTICE OF THE UNPAID CLAIM FROM THE CLAIMANT, YOU FAIL TO WITHHOLD PAYMENT TO YOUR CONTRACTOR THAT IS SUFFICIENT TO COVER THE UNPAID CLAIM UNTIL THE DISPUTE IS RESOLVED; OR
- (2) DURING CONSTRUCTION AND FOR 30 DAYS AFTER COMPLETION OF YOUR CONTRACTOR'S WORK, YOU FAIL TO RESERVE 10 PERCENT OF THE CONTRACT PRICE OR 10 PERCENT OF THE VALUE OF THE WORK PERFORMED BY YOUR CONTRACTOR.

IF YOU HAVE COMPLIED WITH THE LAW REGARDING THE RESERVATION OF 10 PERCENT OF THE CONTRACT PRICE OR VALUE OF WORK AND YOU HAVE WITHHELD PAYMENT TO THE CONTRACTOR SUFFICIENT TO COVER ANY WRITTEN NOTICE OF CLAIM AND HAVE PAID THAT AMOUNT, IF ANY, TO THE CLAIMANT, ANY LIEN CLAIM FILED ON YOUR PROPERTY BY A SUBCONTRACTOR OR SUPPLIER, OTHER THAN A PERSON WHO CONTRACTED DIRECTLY WITH YOU, WILL NOT BE A VALID LIEN ON YOUR PROPERTY. IN ADDITION, EXCEPT FOR THE REQUIRED 10 PERCENT RESERVATION, YOU ARE NOT LIABLE TO A SUBCONTRACTOR OR SUPPLIER FOR ANY AMOUNT PAID TO YOUR CONTRACTOR BEFORE YOU RECEIVED WRITTEN NOTICE OF THE CLAIM.