

**NOTICE BY DISBURSER\***  
Section 38-22-126, Colorado Revised Statutes

Pursuant to Section 38-22-126, Colorado Revised Statutes, and in connection with funds to be paid or disbursed as work progresses upon a structure or other improvements on the land described below, this notice is given by the undersigned disbursers.

The Disburser is:

Check whichever is applicable:

- a lender who has agreed to make a loan to the owner or contractor,
- a person who will receive funds from a lender, contractor or owner,
- an owner who has agreed to pay any sum to a contractor, and such loan, funds or sum is to be disbursed or paid from time to time as work upon a structure or other improvements progresses or to be partially withheld until all or any part of any such work is completed.

1. The name, address and telephone number of the owner(s) of the land to be improved:

Name Address Telephone

2. The name, address and telephone number of the principal contractor(s):

Name Address Telephone

3. The name, address and telephone number of the Disburser:

Name Address Telephone

4. The land to be improved is situate in the State of Colorado, and is described as follows:

\*\* County of \_\_\_\_\_,

Legal description Address

\_\_\_\_\_  
Disburser

By: \_\_\_\_\_

\* Copies of this notice, whether or not executed by Disburser, may be used as the statements of information required by Section 38-22-126(3) C.R.S. to be furnished materialmen and other suppliers.

\*\* Insert "City and" when applicable.

Acknowledgment of receipt of Information Required by Section 38-22-126(3).

The undersigned who has received an order or has contracted to furnish labor, services, machinery, tools, equipment, laborers or materials to be used in the work above mentioned acknowledges that he has been furnished a statement of the foregoing information this \_\_\_\_\_ (date).

\_\_\_\_\_  
By: \_\_\_\_\_

MEMORANDUM

Copy of this notice mailed or delivered to the following:

<i>Name of Materialman or Supplier</i>	<i>Date</i>

**Section 38-22-126 Colorado Revised Statutes.**

**38-22-126. Disburser - notice - duty of owner and disburser.** (1) For the purposes of this section, the word "disburser" means any lender who has agreed to make any loan to the owner or contractor, the proceeds of which are to be disbursed from time to time as work upon a structure or other improvement progresses, or any part of which is to be withheld until all or any part of such work is completed; or, any person who receives funds from any lender, contractor, or owner to be disbursed from time to time as work upon a structure or other improvement progresses, or any part of which is to be withheld until all or any part of such work is completed; or, any owner who has agreed to pay any sum to any Contractor from time to time as work upon a structure or other improvement progresses, or any part of which is to be withheld until all or any part of such work is completed.

(2) It is the duty of the disburser, prior to the first disbursement, to see that there has been recorded in the office of the county clerk and recorder of the county where the land to be improved is situated, a notice stating the name and address of the owner, the names, addresses, and telephone numbers of the principal contractor, if any, and the disburser, and the legal description of the land and its address, if any. One notice may include as many parcels as desired, providing that all the information is stated as to each parcel. Such notice shall be indexed by the county clerk and recorder under the name of the owner and each principal contractor as grantors and according to address.

(3) It is the duty of any person upon ordering or contracting for any labor, services, machinery, tools, equipment, laborers or materials to be used as provided in section 38-22-101, upon demand of the person from whom he or she is so ordering or with whom he or she is so contracting, to furnish to such person a statement of the names, addresses, and telephone numbers of the owner or reputed owner of the land to be improved, the principal contractor, if any, and the disburser, if any, as defined in subsection (1) of this section, together with a legal description or the address, if any, of the land to be improved.

(4) Any lien claimant who is entitled to a lien under this article may give notice to the disburser stating the property by address or legal description, or by such other description as will identify the real property; the claimant's name, address, and telephone number; the person with whom he was contracted; and a general statement of his contract.

(5) Such notice shall be in writing and shall be served upon the disburser by certified mail or by delivering the same personally to such disburser, or by leaving a copy at his residence or at his place of business with some person in charge.

(6) Upon such notice being received by the disburser, it is the duty of the disburser, before disbursing any funds to the person designated in said notice with whom said claimant has contracted, to ascertain the amount due to the claimant on any disbursement date, and to pay such amount directly to the claimant out of any undisbursed funds available for and due to said person designated in said notice on such date; except that any amounts actually paid by the disburser to others for labor, services, machinery, tools, equipment, and laborers or materials performed, supplied, or furnished for such structure or improvement that are chargeable materials to said person designated in said notice shall not be deemed available for said person designated in said notice; and further except that if the amount claimed by said claimant is disputed by said person designated in said notice, the disburser may impound such amount until the amount due is settled by agreement or final judicial determination.

(7) If the disburser fails to comply with subsection (6) of this section and the said claimant suffers loss by reason of said failure the disburser shall be liable to said claimant for the amount which the disburser should have paid claimant to the extent of claimant's loss.