

CLAUSES FOR RESIDENTIAL CONTRACTS

Below are clauses that meet the statutory requirements in connection with contracting or sale of residential property. Paragraphs 1- 4 would be used in contracts to do work on property owned by others. Paragraphs 4- 6 would be used where a residential unit is to be constructed and sold by the contractor/developer after completion of construction.

- 1. Required by Section 489.1425 - Any contract for repair, restoration, improvement, or construction to residential real property must contain a written statement explaining the consumer's rights under the Construction Industries Recovery Fund, except where the value of all labor and materials does not exceed \$2,500.**

CONSTRUCTION INDUSTRIES RECOVERY FUND

PAYMENT MAY BE AVAILABLE FROM THE CONSTRUCTION INDUSTRIES RECOVERY FUND IF YOU LOSE MONEY ON A PROJECT PERFORMED UNDER CONTRACT, WHERE THE LOSS RESULTS FROM SPECIFIED VIOLATIONS OF FLORIDA LAW BY A STATE-LICENSED CONTRACTOR. FOR INFORMATION ABOUT THE RECOVERY FUND AND FILING A CLAIM, CONTACT THE FLORIDA CONSTRUCTION INDUSTRY LICENSING BOARD AT THE FOLLOWING TELEPHONE NUMBER AND ADDRESS:

**FLORIDA CONSTRUCTION INDUSTRY LICENSING BOARD
1940 N. Monroe St., Tallahassee, FL 32399-1039(850) 487-1395**

- 2. Any direct contract greater than \$2,500 between an owner and a contractor, related to improvements to real property consisting of single or multiple family dwellings up to and including four units, must contain the following notice provision printed in no less than 12-point, capitalized, boldfaced type on the front page of the contract or on a separate page, signed by the owner and dated.**

ACCORDING TO FLORIDA'S CONSTRUCTION LIEN LAW (SECTIONS 713.001-713.37, FLORIDA STATUTES), THOSE WHO WORK ON YOUR PROPERTY OR PROVIDE MATERIALS AND ARE NOT PAID IN FULL HAVE A RIGHT TO ENFORCE THEIR CLAIM FOR PAYMENT AGAINST YOUR PROPERTY. THIS CLAIM IS KNOWN AS A CONSTRUCTION LIEN. IF YOUR CONTRACTOR OR A SUBCONTRACTOR FAILS TO PAY SUBCONTRACTORS, SUB-SUBCONTRACTORS, OR MATERIAL SUPPLIERS OR NEGLECTS TO MAKE OTHER LEGALLY REQUIRED PAYMENTS, THE PEOPLE WHO ARE OWED MONEY MAY LOOK TO YOUR PROPERTY FOR PAYMENT, EVEN IF YOU HAVE PAID YOUR CONTRACTOR IN FULL. IF YOU FAIL TO PAY YOUR CONTRACTOR, YOUR CONTRACTOR MAY ALSO HAVE A LIEN ON YOUR PROPERTY. THIS MEANS IF A LIEN IS FILED YOUR PROPERTY COULD BE SOLD AGAINST YOUR WILL TO PAY FOR

LABOR, MATERIALS, OR OTHER SERVICES THAT YOUR CONTRACTOR OR A SUBCONTRACTOR MAY HAVE FAILED TO PAY. FLORIDA'S CONSTRUCTION LIEN LAW IS COMPLEX AND IT IS RECOMMENDED THAT WHENEVER A SPECIFIC PROBLEM ARISES, YOU CONSULT AN ATTORNEY.

3. Required by Section 489.119. The registration or certification number of each contractor or certificate of authority number for each business organization shall appear in each offer of services, business proposal, bid, contract, or advertisement, regardless of medium, as defined by board rule, used by that contractor or business organization in the practice of contracting)

Contractor=s License Number (or Qualifying Business Number) is _____

4. Required by SB 1286 - 2003 - Upon entering into a contract for the sale, design, construction, or remodeling of a dwelling, the contractor, subcontractor, supplier, or design professional shall provide notice to the owner in the following form. It must be conspicuous. Dwelling is defined as a single-family house, manufactured or modular home, duplex, or unit in a multifamily residential building designed for residential use and includes common areas and improvements that are owned or maintained by an association or by members of an association, and includes the systems, other components, and improvements that are part of the structure at the time of completion of construction.

FLORIDA LAW CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT FOR DEFECTIVE CONSTRUCTION AGAINST A CONTRACTOR, SUBCONTRACTOR, SUPPLIER, OR DESIGN PROFESSIONAL FOR AN ALLEGED CONSTRUCTION DEFECT IN YOUR HOME. SIXTY DAYS BEFORE YOU FILE YOUR LAWSUIT, YOU MUST DELIVER TO THE CONTRACTOR, SUBCONTRACTOR, SUPPLIER, OR DESIGN PROFESSIONAL A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE AND PROVIDE YOUR CONTRACTOR AND ANY SUBCONTRACTORS, SUPPLIERS, OR DESIGN PROFESSIONALS THE OPPORTUNITY TO INSPECT THE ALLEGED CONSTRUCTION DEFECTS AND MAKE AN OFFER TO REPAIR OR PAY FOR THE ALLEGED CONSTRUCTION DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY THE CONTRACTOR OR ANY SUBCONTRACTORS, SUPPLIERS, OR DESIGN PROFESSIONALS. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER FLORIDA LAW.

5. Required by Section 501.1375 to be in all offers to purchase, sales agreements, or written contracts made between a building contractor or a developer and a prospective buyer of a one-family or two-family residential dwelling unit.

THE BUYER/OWNER OF A ONE-FAMILY OR TWO-FAMILY RESIDENTIAL DWELLING UNIT HAS THE RIGHT TO HAVE ALL DEPOSIT FUNDS (UP TO 10 PERCENT OF THE

PURCHASE PRICE) DEPOSITED IN AN INTEREST-BEARING ESCROW ACCOUNT. THIS RIGHT MAY BE WAIVED IN WRITING BY THE BUYER/OWNER. The failure to waive the escrow requirement may result in an extra charge to OWNER at the time of closing. The BUILDER shall be entitled to all interest accrued on the account.

- Buyer/Owner hereby WAIVES the request for escrow of any portion of the deposit monies received.

- Buyer/Owner hereby requests BUILDER to escrow all deposit monies received, up to 10% of the purchase price, to be held pursuant to Florida Statute 501.1375. In this event, BUILDER may borrow money in an amount equal to the funds held in escrow for construction purposes only, in which case any interest which the BUILDER pays on such loan shall be paid by Buyer/Owner at time of closing, but the Buyer/Owner shall be credited for any interest accrued on the escrow account. Any deposit monies received from Buyer/Owner in excess of 10% of the purchase price, or for change orders, if any, shall not be held in escrow by BUILDER or be otherwise restricted.

6. Required by Section 689.26. A prospective parcel owner in a community must be presented a disclosure summary before executing the contract for sale otherwise it is voidable - A number of real estate lawyers believe that this must be given even if there is no community association.

HOMEOWNERS= ASSOCIATION/COMMUNITY DISCLOSURE

IF THE DISCLOSURE SUMMARY REQUIRED BY SECTION 689.26, FLORIDA STATUTES, HAS NOT BEEN PROVIDED TO THE PROSPECTIVE PURCHASER BEFORE EXECUTING THIS CONTRACT FOR SALE, THIS CONTRACT IS VOIDABLE BY BUYER BY DELIVERING TO SELLER OR SELLER=S AGENT WRITTEN NOTICE OF THE BUYER=S INTENTION TO CANCEL WITHIN 3 DAYS AFTER RECEIPT OF THE DISCLOSURE SUMMARY OR PRIOR TO CLOSING. WHICHEVER OCCURS FIRST. ANY PURPORTED WAIVER OF THIS VOIDABILITY RIGHT HAS NO EFFECT. BUYER=S RIGHT TO VOID THIS CONTRACT SHALL TERMINATE AT CLOSING.

BUYER SHOULD NOT EXECUTE THIS CONTRACT UNTIL BUYER HAS RECEIVED AND READ THIS DISCLOSURE.

**DISCLOSURE SUMMARY FOR
(Name of Community)**

1. AS A BUYER OF PROPERTY IN THIS COMMUNITY, YOU G WILL G WILL NOT BE OBLIGATED TO BE A MEMBER OF A HOMEOWNERS= ASSOCIATION (AASSOCIATION@).
2. THERE HAVE BEEN OR WILL BE RECORDED RESTRICTIVE COVENANT (ACOVENANTS@) GOVERNING THE USE AND OCCUPANCY OF PROPERTIES IN THIS COMMUNITY.
3. YOU G WILL GWILL NOT BE OBLIGATED TO PAY ASSESSMENTS TO THE ASSOCIATION. YOU G WILL G WILL NOT BE OBLIGATED TO PAY SPECIAL ASSESSMENTS TO THE RESPECTIVE MUNICIPALITY, COUNTY, OR SPECIAL DISTRICT. ALL ASSESSMENTS ARE SUBJECT TO PERIODIC CHANGE.
4. YOUR FAILURE TO PAY SPECIAL ASSESSMENTS OR ASSESSMENTS LEVIED BY A MANDATORY HOMEOWNERS= ASSOCIATION COULD RESULT IN A LIEN ON YOUR PROPERTY.
5. THERE G IS G IS NOT AN OBLIGATION TO PAY RENT OR LAND USE FEES FOR RECREATIONAL OR OTHER COMMONLY USED FACILITIES AS AN OBLIGATION OF MEMBERSHIP IN THE HOMEOWNERS= ASSOCIATION. (If such obligation exists, then the amount of the current obligation is \$_____)
6. THE COVENANTS G CAN G CANNOT BE AMENDED WITHOUT THE APPROVAL OF THE ASSOCIATION MEMBERSHIP OR, IF NO MANDATORY ASSOCIATION EXISTS, PARCEL OWNERS.
7. THE STATEMENTS CONTAINED IN THIS DISCLOSURE FORM ARE ONLY SUMMARY IN NATURE, AND, AS A PROSPECTIVE PURCHASER, YOU SHOULD REFER TO THE COVENANTS AND THE ASSOCIATION GOVERNING DOCUMENTS BEFORE PURCHASING PROPERTY.
8. THESE DOCUMENTS ARE MATTERS OF PUBLIC RECORD AND CAN BE OBTAINED FROM THE RECORD OFFICE IN THE COUNTY WHERE THE PROPERTY IS LOCATED.

DATE _____ BUYER _____

DATE _____ BUYER _____

7. Required by Section 553.996 - A prospective purchaser of real property with a building for occupancy located thereon shall be provided with a copy of an information brochure, at the time of or prior to the purchaser's execution of the contract for sale and purchase, notifying the purchaser of the option for an energy-efficiency rating on the building.

ENERGY EFFICIENCY AUDIT: PURCHASER has been provided with the Florida Department of Community Affairs brochure relative to energy efficiency ratings. PURCHASER ____ does ____ does not request an energy audit to be performed at

PURCHASER=s expense pursuant to Florida Statutes Section 553.996. This contract ____ is ____ is not contingent upon the approval rating.

8. Required by Section 404.056(5) - Notification shall be provided on at least one document, form, or application executed at the time of, or prior to, contract for sale and purchase of any building or execution of a rental agreement for any building.

RADON DISCLOSURE: Radon is a naturally occurring radioactive gas that, when accumulated in sufficient quantities, may present health risk to persons who are exposed to it over time. Radon levels that exceed federal and state guidelines have been found in buildings in Florida, both new and old. Additional information regarding Radon and Radon testing may be obtained from your county health unit.

SELLER MAKES NO REPRESENTATION AS TO THE PRESENCE OR LACK OF RADON OR OTHER HAZARDOUS ENVIRONMENTAL CONDITION, OR AS TO THE EFFECT OF RADON OR ANY SUCH CONDITION ON THE NEW HOME RESIDENTS. SELLER DISCLAIMS AND ASSUMES NO LIABILITY AND PURCHASER WAIVES ALL WARRANTIES EITHER EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTIES OF HABITABILITY OR FITNESS OF PURPOSE THAT COULD BE CONSTRUED TO COVER THE PRESENCE OF RADON OR OTHER ENVIRONMENTAL POLLUTANTS. THE ONLY WARRANTY THE SELLER PROVIDES TO THE PURCHASER ARE THOSE CONTAINED IN SELLER'S LIMITED WARRANTY.