

VILLAGE OF BAL HARBOUR

CONSTRUCTION LIEN LAW FOR OWNERS

NOTE: IF YOU SIGNED AS THE OWNER'S AGENT YOU ARE RESPONSIBLE FOR DELIVERING THIS INFORMATION SHEET TO THE OWNER OF THE PROPERTY

WARNING TO OWNER

Florida's Construction Lien Law (Chapter 713, Part 1, FS) requires the recording with the Clerk of the Courts a Notice of Commencement for real property improvements greater than \$2,500.00. However, it does not apply to the repair or replacement of an existing heating or air conditioning system less than \$5000.00 in value. This notice must be signed by you, the property owner.

Under Florida law, those who work on your property or provide materials and are not paid have a right to enforce their claim for payment against your property. This claim is known as a construction lien.

YOU MUST FILE A NOTICE OF COMMENCEMENT

For your protection under the Construction Lien Law and to avoid the possibility of paying twice for improvements to real property, you must record a Notice of Commencement in the Clerk of the Court's Office. You also must provide a certified copy of the recorded document at the construction site. The Notice of Commencement must be signed by you, the owner contracting the improvements, and not by your agent.

The Notice of Commencement form must be completed and recorded within 90 days before starting the work. A copy of the payment bond, if any is required by you and purchased by the contractor, must be attached as part of the Notice of Commencement when recorded. If improvements described in the Notice of Commencement are not actually started within 90 days after the recording of the Notice, a new Notice of Commencement must be recorded. You lose your protection under the Construction Lien Law if the payments are made to the contractor after the expiration of the Notice of Commencement. The Notice is good for one year after the recording date or up to the date specified under item nine of the form. Florida law requires the Village of Bal Harbour Building Department to be a second source of information concerning the improvements made on real property. The Building Permit Application has been expanded to include information on the construction lender and the contractor's surety, if any. The new application requires your signature or your agent's, to inform you of the Construction Lien Law.

YOU MUST POST COMMENCEMENT AT THE JOB SITE

By law, the Village of Bal Harbour Building Department is required to verify at the first inspection, after the building permit is issued, that a certified copy of the recorded Notice of Commencement, with attached bonds if any, is posted at the construction site. Failure to show the inspector a certified copy of the recorded Notice may result in a disapproved inspection, (Florida Statute 713.135(1) (d)).

RELEASE FROM LIEN FROM CONTRACTOR

Prior to paying the contractor, you need to receive a Release of Lien and Affidavit to the extent of payment from the general contractor. The Release of Lien and Affidavit shall state either that all the subcontractors and suppliers have been paid or list those unpaid and the amount owed. The contractor is required to list on the Release of Lien and Affidavit any subcontractor or supplier that has not been paid. That amount may be withheld from the contractor's pay and paid directly to the subcontractor or suppliers after 10 days written notice to the contractor. If the balance due to the contractor is not sufficient to pay in full all subcontractors and suppliers listed on the contractor's affidavit, you may wish to consult an attorney. The general contractor shall furnish a final Release of Lien and Affidavit to the owner indicating all subcontractors and suppliers have been paid at the time he requests final payment. You can rely on the affidavit in making final payment to the general contractor. If you make final payment to the general contractor without obtaining the affidavit, your property can be liened for non-payment if the general contractor fails to pay the subcontractors or suppliers. You should always obtain a Release of Lien and Affidavit from the contractor to the extent of any payments being made.

RELY ON YOUR LENDER FOR COMPLIANCE WITH CONSTRUCTION LIEN LAW

If you have a lender, you may rely on the lender to handle the recording of the Notice of Commencement. Learn more about the Construction Lien Law by contacting an attorney, your lender, or the Florida Department of Agricultural and Consumer Services, Division of Consumer Services.

Documents are recorded at the Clerk of the Courts, MIAMI-DADE COUNTY RECORDER, COURTHOUSE EAST, 22 N.W. First Street, 1st Floor, Miami, FL 33128.

You can record the Notice of Commencement by mail. The original Notice should be sent to the County Recorder, P.O. Box 011711, Flagler Station, Miami, Florida 33101. Please make sure the original Notice is signed and notarized. Also, remember to enclose the recording fee (for a single copy) and written instructions for recording and returning a certified copy of the recorded documents. For additional information on fees and recording documents call (305) 275-1155.

Owner's Responsibilities

It is up to the owner to ensure that the contractor obtains their own permit. This permit makes the contractor legally responsible for their portion of the work. If you hire a contractor, it is the owner's responsibility to ensure that the contractor is licensed and insured. Always ask to see the permit for your project. If no permit is obtained, do not allow the work to start.

Notice of Commencement

- For your protection under the Construction Lien Law and to avoid the possibility of paying twice for improvements to real property, you must record a Notice of Commencement in the Clerk of the Court's Office.
- The Notice of Commencement must be signed by you, the owner contracting the improvement, and not your agent.
- Florida's Construction Lien Law (Chapter 713, Part One, Florida Statutes) requires the recording of a Notice of Commencement with the Clerk of the Courts for real property improvements greater than \$2,500.
- Under Florida law, those who work on your property or provide materials and are not paid, have a right to enforce their claim for payment against your property. This claim is known as a construction lien.
- The Notice of Commencement must be completed and recorded within 90 days before starting the work.
- A copy is also to be posted on the job site.

For Additional information visit the following links:

www.leg.state.fl.us/statutes/index.cfm?mode=View%20Statutes&SubMenu=1&App_mode=Display_Statute&Search_String=building+permit&URL=0700-0799/0713/Sections/0713.135.html
www.myfloridalicense.com/dbpr/pro/cilb/documents/florida_lien_law.pdf

Licensed contractors

There are two types of contractor's license, one issued by Miami-Dade County and the other one by the State of Florida. The Miami-Dade County Permitting, Environmental and Regulatory Affairs (PERA) regulates Miami-Dade licensed contractors Miami-Dade (see Chapter 10 of the Code of Miami-Dade County). The State of Florida Department of Business and Professional Regulations regulates the State licensed contractors (see Chapter 489 of the Florida Statutes). The law requires that all contractors be licensed. **Additionally all contractors must be registered with the Village of Bal Harbour**

Suggestions of the Do's and don't's when dealing with contractors

- | DO's | DON'T's |
|---|--|
| <input type="checkbox"/> Ask and check for references | <input type="checkbox"/> Do not allow work to start before a permit is obtained |
| <input type="checkbox"/> Ask and check for licenses | <input type="checkbox"/> Do not issue large down payment before work begins |
| <input type="checkbox"/> Make sure payments are made to contractor as the name appears in license | <input type="checkbox"/> Do not make checks payable to an individual's name or cash |
| <input type="checkbox"/> Ask and check for insurance | <input type="checkbox"/> Do not make cash payment |
| <input type="checkbox"/> Have a written detailed contract | <input type="checkbox"/> Do not do work without a permit |
| <input type="checkbox"/> Ask to see permit card and all approved inspections, including all final inspections | <input type="checkbox"/> Do not make final payment until final inspections are approved |
| | <input type="checkbox"/> Do not make final payment until final affidavit of payment and all the releases of liens are received |

Contractor complaints

If a contractor abandons the work or if you have a complaint regarding his/her performance, you can contact the Miami-Dade County Permitting, Environmental and Regulatory Affairs (PERA), Contractor Licensing and Enforcement Section at 786-315-2562 for Miami-Dade contractors and the State of Florida DBPR at 305-513-3437.

Please note that If the work has not been completed it may be necessary for you to hire a new contractor to complete the work.

NOTICE OF COMMENCEMENT

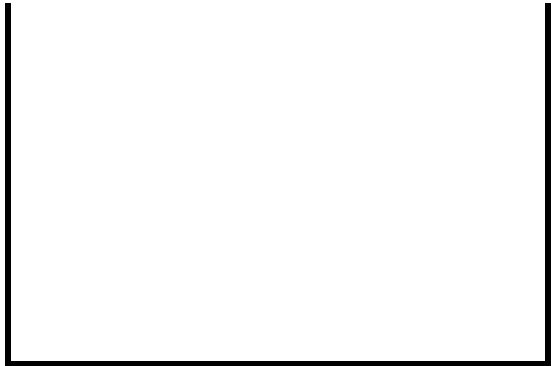
A RECORDED COPY MUST BE POSTED ON THE JOB SITE AT TIME OF FIRST INSPECTION

PERMIT NO. _____ TAX FOLIO NO. _____

STATE OF FLORIDA:

COUNTY OF MIAMI-DADE:

THE UNDERSIGNED hereby gives notice that improvements will be made to certain real property, and in accordance with Chapter 713, Florida Statutes, the following information is provided in this Notice of Commencement.



Space above reserved for use of recording office

1. Legal description of property and street/address: _____

2. Description of improvement: _____

3. Owner(s) name and address: _____

Interest in property: _____

Name and address of fee simple titleholder: _____

4. Contractor's name, address and phone number: _____

5. Surety: (Payment bond required by owner from contractor, if any)

Name, address and phone number: _____

Amount of bond \$ _____

6. Lender's name and address: _____

7. Persons within the State of Florida designated by Owner upon whom notices or other documents may be served as provided by

Section 713.13(1)(a)7., Florida Statutes,

Name, address and phone number: _____

8. In addition to himself, Owners designates the following person(s) to receive a copy of the Lienor's Notice as provided in Section

713.13(1)(b), Florida Statutes.

Name, address and phone number: _____

9. Expiration date of this Notice of Commencement: _____

(the expiration date is 1 year from the date of recording unless a different date is specified)

WARNING TO OWNER: ANY PAYMENTS MADE BY THE OWNER AFTER THE EXPIRATION OF THE NOTICE OF COMMENCEMENT ARE CONSIDERED IMPROPER PAYMENTS UNDER CHAPTER 713, PART I, SECTION 713.13. FLORIDA STATUTES, AND CAN RESULT IN YOUR PAYING TWICE FOR IMPROVEMENTS TO YOUR PROPERTY. A NOTICE OF COMMENCEMENT MUST BE RECORDED AND POSTED ON THE JOB SITE BEFORE THE FIRST INSPECTION. IF YOU INTEND TO OBTAIN FINANCING, CONSULT WITH YOUR LENDER OR AN ATTORNEY BEFORE COMMENCING WORK OR RECORDING YOUR NOTICE OF COMMENCEMENT.

Signature(s) of Owner(s) or Owner(s)' Authorized Officer/Director/Partner/Manager

Prepared By _____ Prepared By _____

Print Name _____ Print Name _____

Title/Office _____ Title/Office _____

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

The foregoing instrument was acknowledged before me this _____ day of _____,

By _____

Individually, or as _____ for _____

Personally known, or produced the following type of identification: _____

Signature of Notary Public: _____

Print Name: _____

(SEAL)

VERIFICATION PURSUANT TO SECTION 92.525, FLORIDA STATUTES

Under penalties of perjury, I declare that I have read the foregoing and that the facts stated in it are true, to the best of my knowledge and belief.

Signature(s) of Owner(s) or Owner(s)'s Authorized Officer/Director/Partner/Manager who signed above:

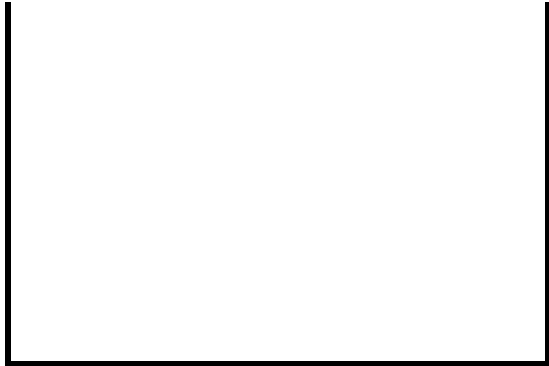
By _____ By _____

This instrument prepared by:

Name: _____

address: _____

NOTICE OF TERMINATION
(of NOTICE OF COMMENCEMENT)



Space above reserved for use of recording office

STATE OF FLORIDA:

COUNTY OF MIAMI-DADE:

The undersigned hereby gives notice that the effective period of that certain Notice of Commencement

dated _____, recorded in O.R. Book / Page _____ / _____

of the Public Records of Dade County, Florida, will terminate; and, in accordance with Section 713.132, Florida Statutes, the following information is provided:

- 1. The date and recording information for the Notice of Commencement being terminated are as described above, and all information contained therein is hereby expressly incorporated into this NOTICE OF TERMINATION.
- 2. The Notice of Commencement shall be terminated as of _____, or 30 days from the recording date of this Notice of Termination, whichever date is later.
- 3. This Notice of Termination applies to:
 - all the real property subject to the above described Notice of Commencement.
 - only to the portion of such real property described as:

- 4. All lienors have been paid in full or prorata in accordance with Section 713.06(4), Florida Statutes.
- 5. A copy of this notice has been served on the contractor and on each lienor who has given notice, if any.

Owner Signature: _____ Owner
Signature: _____

Print Name _____ Print
Name _____

SWORN TO AND SUBSCRIBED before me this _____ day of _____ 20_____

by: _____

Personally known, or produced the following type of identification: _____

Signature of Notary Public: _____

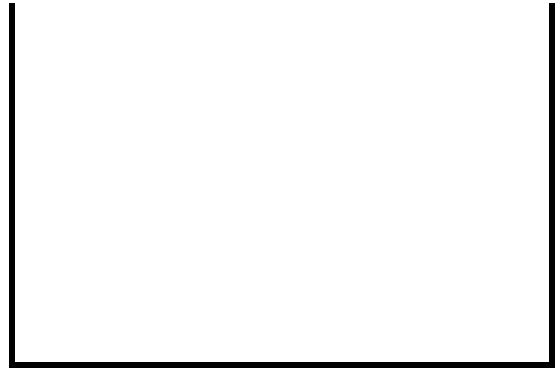
Print Name: _____

(SEAL)

Exhibit attached:

- Contractor's Final Payment Affidavit
- Property Legal Description
- Copy of Notice of Commencement

RELEASE OF LIEN AND AFFIDAVIT



Space above reserved for use of recording office

1. The undersigned contractor, for an in consideration of the payments of the sum of _____ paid by receipt of which is hereby acknowledged, hereby releases and quit claims to _____, the owner of the hereinafter described property, all liens, lien rights, claims or demands of any kind whatsoever, which the undersigned now has to might have against the building located on, or premises legally described as _____

on account of labor performed and/or materials furnished for the construction of any such improvements on said premises.

2. All labor and materials used by the undersigned in the erection of said improvements have been paid in full, except as follows: _____

3. All lienors furnishing labor, services, or materials for said improvements have been paid in full, except as follows: _____

4. This instrument is executed and delivered to the owner in compliance with Chapter 713, Florida Statutes.

5. The undersigned contractors does hereby consent to the payment by the owner of all lienors giving notice and those lienors above named.

IN WITNESS WHEREOF, I have hereunto set by hand and seal this _____ day of _____, 20_____

Witnesses:

1. _____ (SEAL)

(Contractor)

2. _____ By _____

(President)

STATE OF FLORIDA:

COUNTY OF MIAMI-DADE:

I, hereby acknowledge that the statements contained in the foregoing Release of Lien and Affidavit are true and correct. Sworn

to and subscribed before me, this _____ day of _____, 20_____.

Notary Public _____

Print Notary's Name: _____

My Commission Expires: _____

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NOTICE TO OWNER FROM SUBCONTRACTORS AND SUPPLIERS

You may receive a Notice to Owner from subcontractors and material suppliers. This notice advises you that the sender is providing services or materials. Subcontractors and suppliers must serve a Notice to Owner within 45 days of commencing work to preserve their ability to lien your property.

If your address changes from that given in the Notice of Commencement, you should record a corrected Notice reflecting your current address. This is done to help ensure you will receive all notices.

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