

### Home Improvement Agreement

This home improvement agreement is between

\_\_\_\_\_ a California licensed contractor, hereby called "Contractor" and

\_\_\_\_\_ hereby called "Owner" and/or "Buyer", whose residence address is \_\_\_\_\_

whose residence phone is \_\_\_\_\_ whose business phone is \_\_\_\_\_ ext. \_\_\_\_\_

and whose job address is \_\_\_\_\_

The total price for this contract agreement is \$ \_\_\_\_\_

with final payment to be paid by Owner upon completion of project.

A down payment of \$ \_\_\_\_\_ is due before the project can begin.

**THE DOWN PAYMENT MAY NOT EXCEED \$1,000 OR 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS.**

Owner Signature Date

Date Owner signed contract \_\_\_\_\_

### Cancellation Mailing Address

Should you the Owner wish to cancel this contract, you may do so by mailing the attached "Notice of Cancellation" (or one similar) to the following address:

### Start and Completion Dates

Approximate Start Date: \_\_\_\_\_ Approximate Completion Date: \_\_\_\_\_

### Commencement

This project will be deemed substantially commenced when

**Description of the Project and Description of the  
Significant Materials to be Used and Equipment to be Installed:**

## NOTICES AND SIGNATURES

**INFORMATION ABOUT THE CONTRACTORS' STATE LICENSE BOARD (CSLB):** CSLB is the state consumer protection agency that licenses and regulates construction contractors.

Contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions and civil judgments that are reported to CSLB.

Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees.

For more information:

Visit CSLB's Web site at [www.cslb.ca.gov](http://www.cslb.ca.gov).

Call CSLB at 800-321-CSLB (2752).

**MECHANICS LIEN WARNING:** Anyone who helps improve your property, but who is not paid, may record what is called a mechanics' lien on your property. A mechanics' lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics' liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit.

To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a '20-day Preliminary Notice.' This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if he or she is not paid.

**BE CAREFUL.** The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices.

You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

**PROTECT YOURSELF FROM LIENS.** You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

**PAY WITH JOINT CHECKS.** One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

For other ways to prevent liens, visit CSLB's Web site at [www.cslb.ca.gov](http://www.cslb.ca.gov) or call CSLB at 800-321-CSLB (2752).

**REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON YOUR HOME.** This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe."

**RIGHT TO LIEN RELEASE/WAIVER** - Upon satisfactory payment being made for any portion of the work performed, the contractor shall, prior to any further payment being made and if requested, furnish to the Owner (you) a full and unconditional release from any claim or mechanic's lien pursuant

to Section 3114 of the Civil Code for that portion of the work for which payment has been made.

**RIGHT TO PERFORMANCE AND/OR PAYMENT BOND** - The Owner (you) has the right to require the contractor to have a performance and payment bond or funding control approved by the registrar of contractors. The expense may be borne by the Owner.

**RIGHT TO A FILLED-IN COPY** - **Notice to the Owner: You are entitled to a completely filled in copy of this agreement, signed by both you and the contractor, before any work may be started. Attachments "A", "B" and "C" are incorporated into and made a part of this agreement.**

**LIST OF DOCUMENTS TO BE INCORPORATED INTO THE CONTRACT -**

- Attachment "A" – A notice concerning Commercial General Liability Insurance is attached to this contract. A notice concerning Workers Compensation Insurance is attached to this contract.
- Attachment "B" – A notice of Owners "Three Day Right to Cancel", is attached to this contract.
- Attachment "C" – A "Notice of Cancellation" form, in duplicate, is attached to this contract.

**NOTE ABOUT EXTRA WORK AND CHANGE ORDERS** - Extra Work and Change Orders become part of the contract once the order is prepared in writing and signed by the parties prior to the commencement of any work covered by the new change order. The order must describe the scope of the extra work or change, the cost to be added or subtracted from the contract, and the effect the order will have on the schedule of progress payments. Owner may not require contractor to perform extra or change-order work without providing written authorization prior to commencement of any work covered by the new change order. Extra work and/or change orders are not enforceable against Owner unless the change order also identifies all of the following in writing prior to the commencement of any work covered by the new change order: the scope of work encompassed by the order; the amount to be added or subtracted from the contract; the effect the change order will have on the progress payments or the completion date. Please note that the contractor's failure to comply with the requirements of this paragraph does not preclude the recovery of compensation for work performed based upon legal or equitable remedies designed to prevent unjust enrichment.

**RIGHT TO CANCEL** – The law requires that the contractor give you a notice explaining your right to cancel. Initial the check box if the contractor has given you a 'Notice of the Three-Day Right to Cancel.'

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
CONTRACTORS SIGNATURE

\_\_\_\_\_  
OWNERS SIGNATURE

\_\_\_\_\_  
CONTRACTOR'S COMPANY NAME

\_\_\_\_\_  
OWNERS SIGNATURE

\_\_\_\_\_  
OWNERS SIGNATURE