

# HOME IMPROVEMENT CONTRACT

THIS AGREEMENT IS BETWEEN \_\_\_\_\_

Date \_\_\_\_\_

"Notice of Cancellation" may be sent to the contractor at the address noted below:

AND \_\_\_\_\_

**These forms are available from  
www.amosprint.com**  
(These lines are not printed on blank forms)

Owner's Name \_\_\_\_\_

Owner's Address \_\_\_\_\_

City, State & Zip \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Cell: \_\_\_\_\_ Other: \_\_\_\_\_

Email \_\_\_\_\_

**Job Location:** \_\_\_\_\_

**Description of the Project and Description of the Significant Material to be Used and Equipment to be installed:**

Substantial commencement of work under this contract is described as: \_\_\_\_\_

**Approximate Starting Date:** \_\_\_\_\_

**Approximate Completion Date:** \_\_\_\_\_

**Contract Price:** \$ \_\_\_\_\_

**Down Payment:** \$ \_\_\_\_\_

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

**Finance Charge:** \$ \_\_\_\_\_ Must be stated separately from Contract amount.

**Schedule of Progress Payments: The schedule of progress payments must specifically describe each phase of work, including the type and amount of work or services scheduled to be supplied in each phase, along with the amount of each proposed progress payment.**

1. \$ \_\_\_\_\_ Date: \_\_\_\_\_  
Work or Services scheduled to be supplied \_\_\_\_\_

2. \$ \_\_\_\_\_ Date: \_\_\_\_\_  
Work or Services scheduled to be supplied \_\_\_\_\_

3. \$ \_\_\_\_\_ Date: \_\_\_\_\_  
Work or Services scheduled to be supplied \_\_\_\_\_

4. \$ \_\_\_\_\_ Date: \_\_\_\_\_  
Work or Services scheduled to be supplied \_\_\_\_\_

**IT IS AGAINST THE LAW FOR A CONTRACTOR TO COLLECT PAYMENT FOR WORK NOT YET COMPLETED, OR FOR MATERIALS NOT YET DELIVERED. HOWEVER, A CONTRACTOR MAY REQUIRE DOWNPAYMENT.**

Upon satisfactory payment being made for any portion of the work performed, the contractor shall, prior to any further payment being made, furnish to the person contracting for the home improvement work 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.

**List of Documents to be Incorporated into the Contract:** A notice concerning commercial general liability insurance is attached to this contract; A notice concerning workers' compensation insurance is attached to this contract; Mechanics Lien Warning; Information about the Contractors' State License Board (CSLB); Three-Day Right to Cancel; Notice of Cancellation; Waiver of Right to Cancel;

Additional documents attached: \_\_\_\_\_

**You are entitled to a completely filled in and signed copy of this agreement before any work may be started.**

**The owner or tenant has the right to require the contractor to have a performance and payment bond, however, the contractor can charge you for the costs of obtaining a bond.**

**The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a "Notice of the Three-Day Right to Cancel."**

**X** \_\_\_\_\_  
Owner's Signature Date

**For:** \_\_\_\_\_  
Contractor's Firm Name

**X** \_\_\_\_\_  
Owner's Signature Date

**X** \_\_\_\_\_  
Representative's Signature Date

## ADDITIONAL TERMS AND CONDITIONS

**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.

**Performance of Extra or Change Order Work:** You, the buyer, may not require a contractor to perform extra or change order work without providing written authorization prior to the commencement of any work covered by the new change order. Extra work or a change order is not enforceable against a buyer 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: (i) The scope of work encompassed by the order. (ii) The amount to be added or subtracted from the contract. (iii) The effect the order will make in the progress payments or the completion date.

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.

**Services Not Covered:** Contractor will not perform any other work or trade other than that which is specified herein, including, but not limited to, carpentry, plaster/wall board work, electrical work, tile work, landscaping, masonry, flooring, roofing, paving, etc., even if that work is incidental or necessary to the contracted work, or necessary to restore the premises after the repair work.

**Owner's Responsibilities and Site Conditions:** Owner is responsible to supply water, gas, sewer and electrical utilities unless otherwise agreed to in writing. Electricity and water to the site are necessary. Owner shall allow and provide Contractor and its equipment access to the property. The Owner shall obtain permission from the Owner(s) of adjacent property(ies) that Contractor must use to gain access to the work areas. The Owner is responsible for having sufficient funds to comply with this agreement. Owner is responsible to secure, remove and protect all persons and/or property, and its contents. Owner shall hold harmless and indemnify Contractor against all claims arising out of Contractor's failure to do so. Contractor is not responsible for any persons and/or property, and its contents. The Owner shall point out and warrant property lines to Contractor, and shall hold Contractor harmless for any disputes or errors in the property line or setback locations.

**Subcontracts:** The Contractor may subcontract portions of this work to properly licensed and qualified subcontractors.

**Concealed Conditions:** Contractor shall promptly notify the Owner of: 1) latent physical conditions at the job site differing materially from those indicated in the contract, or 2) unknown physical conditions differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this contract. Any expense incurred due to such conditions shall be paid for by the Owner as added work and may change the type of contract required for the job.

**Delays:** Contractor agrees to start and pursue work through to its completion, but shall not be responsible for delays for and of the following reasons: failure of the issuance of all necessary building permits within a reasonable period of time; acts of neglect or omission by Owner or Owner's employees or agents; acts of God; weather delays; strikes, lockouts, boycotts or other labor union activities; extra work ordered by Owner; acts of criminals, riots or civil commotion; inability to secure material through regular recognized channels; imposition of Government priority or allocation of material; failure of Owner to make payments when due; delays caused by inspection or changes ordered by the inspectors of government bodies; acts of independent Contractors; holidays; or other causes beyond this Contractor's reasonable control.

**Fees, Taxes, and Assessments:** Taxes, Permits, Fees, and Assessments of all descriptions will be paid by Owner. Contractor will obtain all required building permits, at the sole expense of the Owner. Upon demand by Contractor, Owner shall provide funds to acquire any and all necessary permits in a timely fashion. Owner will pay assessments and charges required by public bodies and utilities for financing or repaying the cost of sewers, storm drains, water service, schools and school facilities, other utilities, hook-up charges and the like.

**Payments and Right to Stop Work:** Contractor shall have the right to stop work if any payment shall not be made to Contractor when due under this agreement. Contractor may keep the job idle until all payments due are received. In the event that collection efforts are initiated against Owner, Owner agrees to pay for all associated fees at the posted rates. If any check received from Owner does not clear our bank, Owner can be held liable for three times the amount of the check, up to \$500, not less than \$100, plus the face value of the check, as set forth on California Civil Code Section 1719. These remedies are in addition to any other right or remedy that Contractor may have. A failure by Owner to make payment when due is a material breach of this agreement.

**Clean Up:** Contractor will remove debris from its operation from Owner's property and will leave it in a neat and broom clean condition. Surplus materials left over from the project are the property of the Contractor and will be removed by same. No credit is due Owner on returns for any surplus materials because this contract is based upon a complete job.

**Limitations:** No action of any character arising from or relating to this contract, of the performance thereof, shall be commenced by either party against the other more than two (2) years after completion or cessation of work under this contract.

**Attorney's Fees:** In the event that there is any litigation or an arbitration arising out of this agreement, then the prevailing party shall be entitled to its reasonable attorneys fees and costs.

**Validity and Damages:** In case one or more of the provisions of this agreement, or any application of this agreement, shall be invalid, unenforceable or illegal, the remaining provisions shall not in any way be impaired. Any damages for which Contractor may be liable to Owner shall not, in any event, exceed the contract price.

**Asbestos, Lead, Mold, and other Hazardous Substances:** Owner here represents that Owner has no knowledge of the existence on or in any part of the premises affected by the project of any asbestos, lead paint, mold (including any type of microbial or microbiological contamination, mildew, or fungus), or other hazardous materials or substances. Testing for the existence of any hazardous material or substance shall only be performed as expressly stated in writing. Contractor shall not be testing or performing any work whatsoever in an area that is not identified in this contract.

Unless this contract specifically calls for the removal, disturbance, or transportation of asbestos, polychlorinated biphenyl (PCB), mold, lead paint, or other hazardous substances, the parties acknowledge that such work requires special procedures, precautions, and/or licenses. Unless this contract specifically calls for same, the Contractor shall immediately stop work and allow the Owner to obtain a duly qualified asbestos and/or hazardous material contractor to perform the work or Contractor may perform the work itself at Contractor's option. Such work shall be treated as an extra under this contract.

In the event that mold or microbial contamination is removed by Contractor, Owner understands and agrees that due to the unpredictable characteristics of mold and microbial contamination, Contractor is not responsible for any recurring incidents of mold or microbial contamination appearing in the same or adjacent location subsequent to the completion of work performed by Contractor. Owner agrees to hold Contractor harmless, and shall indemnify Contractor harmless for any recurrence of mold or microbial contamination. Owner also agrees that Contractor shall not be responsible and agrees to hold Contractor harmless and indemnify Contractor for the existence of mold or microbial contamination in any area that Contractor was not contracted to test and/or remediate. Owner is hereby notified, and hereby acknowledges, that most insurers expressly disclaim coverage for any actual or alleged damages arising from mold or microbial contamination. Contractor makes no representations whatsoever as to coverage for mold or microbial contamination, though at Owner's expense and if requested in writing, Contractor will inquire as to the availability of additional coverage for such contamination or remediation, and will, if available, obtain such coverage at the expense of the Owner as an extra.

**Weather and Other Damage:** To the extent that weather may impact the work covered by this contract, Contractor will attempt to keep the project reasonably covered during the work. However, Owner understands that unexpected weather conditions can arise that might cause damage to the project or its contents. Contractor shall not be responsible for any such damage beyond its reasonable control.

**Limited Warranty:** Contractor warrants that all work performed by Contractor and its subcontractors shall be done in a good and workmanlike manner in accordance with accepted trade practices. Said warranty shall extend for one year from the date of substantial completion of Contractor's work, except that there is no warranty of any kind covering drain cleaning. The warranties for assemblies, appliances and the like, shall be those warranties provided by the manufacturer or supplier of that item rather than based on Contractor's warranty. Contractor shall gather and provide to Owner all such manufacturer's warranties. This is the only warranty provided by Contractor to Owner. Owner shall notify Contractor within twenty-four (24) hours of discovery of any warranty claim. Contractor shall respond to warranty calls with reasonable promptness, but only between the hours of 8:30 AM to 4:30 PM Monday through Friday, excluding holidays, unless otherwise agreed to in writing. Failure of Owner to notify Contractor as set forth herein shall void any warranties afforded herein. Contractor shall not be liable for water or other damages relating from any defect or delay in responding to said warranty. Contractor shall not be liable for any lost profits, incidental, special, exemplary, indirect or consequential damages resulting from any work performed, or any problem, whether or not covered by this limited warranty. No warranties shall apply if Contractor was not paid in full for all of the work it performed.

## 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.

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## 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)

Write CSLB at P.O. Box 26000, Sacramento, CA 95826.

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## COMMERCIAL GENERAL LIABILITY INSURANCE (CGL)

Check the appropriate box:

- (A) This contractor does not carry commercial general liability insurance.
- (B) This contractor carries commercial general liability insurance written by \_\_\_\_\_.
- You may call the insurance company at \_\_\_\_\_ to check the contractor's insurance coverage.
- (C) This contractor is self-insured.

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## WORKERS' COMPENSATION INSURANCE

Check the appropriate box:

- (A) This contractor has no employees and is exempt from workers' compensation requirements.
- (B) This contractor carries workers' compensation insurance for all employees.

### THREE-DAY RIGHT TO CANCEL

You, the buyer, have the right to cancel this contract within three business days. You may cancel by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business by midnight of the third business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract.

I, \_\_\_\_\_ hereby acknowledge that on \_\_\_\_\_ I was provided this document titled "Three-Day Right to Cancel." \_\_\_\_\_  
Print Owner's Name Date Buyer's Signature

### WAIVER OF RIGHT TO CANCEL

I have initiated a contract in connection with emergency repairs or service, for the immediate protection of persons or real and personal property with \_\_\_\_\_. Waiting three days to have repairs or service would place an undue, unwanted burden upon myself. I hereby state that the following emergency situation exists, requiring immediate attention:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Pursuant to Section 1689.13 of the California Civil Code, I acknowledge and hereby waive all rights to cancel this transaction within three business days. I understand that regardless of whether work has started or not, after I waive all rights to cancel this transaction, I may not subsequently exercise this waived right.

I hereby waive this right. Date: \_\_\_\_\_ Buyer's Signature: \_\_\_\_\_



### NOTICE OF CANCELLATION

Date: \_\_\_\_\_

You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled. If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram to:

Contractor: \_\_\_\_\_ at \_\_\_\_\_ not later than midnight of \_\_\_\_\_  
Address Date

I hereby cancel this transaction. Date: \_\_\_\_\_ Buyer's Signature: \_\_\_\_\_