



HOME IMPROVEMENT CONTRACT
No Fine Print

THIS CONSTRUCTION AGREEMENT is entered into as of the ____ day of _____, 20__ (the "Effective Date") by and between _____, whose business address is _____ (License No. _____)(the "Contractor") and _____ whose residence address is _____

And whose business address (if any) is _____ (the "Owner")

THE PROJECT (name and location) is _____

THE CONSTRUCTION LENDER (Name and Address) is _____

THE SALESMAN (if any) who negotiated or solicited the contract is _____
Registration Number: _____

THE CONTRACTOR IS: (Name and Address) _____

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 or swimming pool 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.

STATE LAW REQUIRES ANYONE WHO CONTRACTS TO DO CONSTRUCTION WORK TO BE LICENSED BY THE CONTRACTORS STATE LICENSE BOARD IN THE LICENSE CATEGORY IN WHICH THE CONTRACTOR IS GOING TO BE WORKING--IF THE TOTAL PRICE OF THE JOB IS \$500 OR MORE (INCLUDING LABOR AND MATERIALS).

LICENSED CONTRACTORS ARE REGULATED BY LAWS DESIGNED TO PROTECT THE PUBLIC. IF YOU CONTRACT WITH SOMEONE WHO DOES NOT HAVE A LICENSE, THE CONTRACTORS STATE LICENSE BOARD MAY BE UNABLE TO ASSIST YOU WITH A COMPLAINT. YOUR ONLY REMEDY AGAINST AN UNLICENSED CONTRACTOR MAY BE IN CIVIL COURT, AND YOU MAY BE LIABLE FOR DAMAGES ARISING OUT OF ANY INJURIES TO

THE CONTRACTOR OR HIS EMPLOYEES. YOU MAY CONTACT THE CONTRACTORS STATE LICENSE BOARD TO FIND OUT IF THIS CONTRACTOR HAS A VALID LICENSE. THE BOARD HAS COMPLETE INFORMATION ON THE HISTORY OF LICENSED CONTRACTORS, INCLUDING ANY POSSIBLE SUSPENSIONS, REVOCATIONS, JUDGMENTS, AND CITATIONS. THE BOARD HAS OFFICES THROUGHOUT CALIFORNIA. PLEASE CHECK THE GOVERNMENT PAGES OF THE WHITE PAGES FOR THE OFFICE NEAREST YOU OR CALL 1-800-321-CSLB FOR MORE INFORMATION.

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 Call CSLB at 800-321-CSLB (2752) Write CSLB at P.O. Box 26000, Sacramento, CA 95826.

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.

A. CONTRACT PRICE: \$ _____ (Dollars and Cents)

B. FINANCE CHARGES: If any payment is late under this agreement, the Owner shall pay contractor \$ _____ per month on outstanding amounts.

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

THE OWNER AND CONTRACTOR AGREE AS SET FORTH BELOW:

SECTION 1. CONTRACT WORK AND MATERIALS

1.1 Description of the Project and Description of the Significant Materials to be Used and Equipment Installed. We hereby propose to furnish the work, labor, significant materials, and equipment necessary to construct your project, in accordance with the plans dated _____, 200__, sheets numbered _____, prepared by _____, which plans are scale drawings showing the shape, size and dimensions of the construction and the equipment specifications for the home improvement which is the subject of this contract.

1.2 If this contract is for a swimming pool, attached as Exhibit _____ is a plan and scale drawing showing the shape, size, dimensions, and the construction and equipment specifications.

1.3 Selection of Materials. Unless otherwise specified in the Contract Documents, Contractor shall have the right to select all materials. When specified materials are unavailable, Contractor shall have the right to substitute other materials of equal or better quality. However, any item identified herein as an allowance item shall be selected by the Owner.

1.4 Allowances. An Allowance is a material item selected by the Owner and to be furnished by either the Owner or the Contractor, but which shall be installed by the Contractor, which can vary in price depending on the selection made by the Owner. If the Owner selects materials which are more costly than the budget figure for the allowance item set forth in Schedule A, the Owner's obligation to pay Contractor will increase. If the Owner selects materials which are less costly than the budget figure for the allowance item, the Owner's obligation to pay Contractor will decrease. In either case, Contractor will not purchase or install materials subject to an allowance, unless and until Owner signs a change order adjusting the contract price. Unless otherwise specified, Contractor's practice is always to furnish the following categories of materials as allowance items: cabinets, plumbing fixtures, electrical fixtures, floor coverings and appliances. Other categories of materials may be included in the Contractor's price as an allowance item.

1.4.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents as well as such items that the Contractor identifies as an allowance. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

1.4.2 Unless otherwise provided in the Contract Documents, allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;

1.4.3 Whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by written Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Schedule A and (2) changes in Contractor's costs for installation of the items selected by Owner, plus the mark-up set forth in Section 7, below.

1.4.4 Materials and equipment under an allowance shall be selected by the Owner in sufficient time to avoid delay in the Work. Failure by the Owner to make selections by the dates established in Schedule "A" or a failure by Owner to execute change orders reflecting adjustments to the contract price resulting from Owner's selection of materials shall result in an extension of the date for substantial completion of the project, and Contractor shall not be required to give Owner any notice of delay other than that set forth in this paragraph.

SECTION 2. DATES OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

2.1 APPROXIMATE START DATE. Subject to the provisions of paragraph 2.3 below, Contractor shall commence the Contract Work (as defined in paragraph 4.2) within ____ days of the Effective Date; the

Contract Work shall begin approximately on _____, 200__.

FAILURE BY CONTRACTOR WITHOUT LAWFUL EXCUSE TO SUBSTANTIALLY COMMENCE WORK WITHIN TWENTY (20) DAYS FROM THE APPROXIMATE DATE SPECIFIED IN THIS CONTRACT WHEN WORK WILL BEGIN IS A VIOLATION OF THE CONTRACTORS LICENSE LAW.

2.2 APPROXIMATE COMPLETION DATE. Contractor estimates it will substantially complete the Contract Work on approximately _____,200__, subject to adjustments as provided in the Contract Documents (the "Approximate Completion Date").

2.3 Conditions Precedent to Commencement. Contractor shall not be required to commence the Contract Work until after the last to occur of the following:

- (a) Receipt by Contractor of all necessary building permits;
- (b) Receipt by Contractor of notice from Lender, Lien Holder and/or Title Company (if any) that all documents to be recorded prior to commencement of construction have been properly recorded; and,
- (c) Receipt of all constructions funds by Escrow or Contract Fund control (if any).

2.4 SUBSTANTIAL COMMENCEMENT. Substantial commencement of the work under the contract shall be when Contractor delivers material and/or equipment to the job site.

2.5 SUBSTANTIAL COMPLETION DEFINED. Contractor shall be deemed to have substantially completed the Contract Work when the Contractor certifies the Project fit for final inspection.

SECTION 3. CONTRACT AMOUNT; MANNER AND TIME OF PAYMENT

3.1 Contract Amount. In consideration of labor, materials and services, Owner agrees to pay Contractor the cash sum of _____ Dollars (\$_____), subject to additions and deductions as provided in the Contract Documents (the "Contract Amount").

3.2 SCHEDULE OF PROGRESS PAYMENTS: The Owner shall make progress payments to the Contractor under the following schedule (payments to be shown as dollar sums):

- 1. _____ \$ _____
- 2. _____ \$ _____
- 3. _____ \$ _____
- 4. _____ \$ _____
- 5. _____ \$ _____

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. 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 A DOWNPAYMENT.

3.3 The Contract fully performed, final payment is due five (5) days after completion. "Completion" for these purposes shall mean at the time of final walk through. If there is no agreement as to final walk through, completion shall be on the date of final inspection.

3.4 Effect of Nonpayment. Payments due and unpaid will be subject to finance charges as set forth in paragraph B. above. Furthermore, Contractor shall not be required to continue the Contract Work until such time as any payment due (and any interest thereon) is received by Contractor.

SECTION 4. DEFINITION OF CONTRACT DOCUMENTS AND CONTRACT WORK

4.1 LIST OF DOCUMENTS TO BE INCORPORATED INTO THE CONTRACT. The "Contract Documents" consist of this Agreement, including any and all schedules and exhibits, the drawings, specifications, addenda issued prior to the execution of this Agreement and modifications issued after execution of this Agreement, as well as the following additional documents:

4.2 Contract Work. The term "Contract Work" means the construction services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor under this Agreement.

SECTION 5. OWNER

5.1 Financing. Owner is responsible for obtaining all financing that is or may be necessary to fund the work specified in this Agreement. Owner represents that Owner has sufficient funds or has arranged sufficient financing to comply with this Agreement. Owner shall, upon request by Contractor, furnish reasonable evidence that Owner has the ability to pay the amount set forth in the contract along with any additions thereto. Failure by Owner to furnish that evidence within five business days of Contractor's demand shall be a material breach of this Agreement.

5.2 Approvals, Easements, Assessments and Charges. Owner will secure and pay for necessary approvals, easements, assessments and charges required for the construction, use or occupancy of permanent structures or permanent changes in existing facilities. Owner will provide Contractor with copies of any approvals, easements, or restrictions before work is commenced.

5.3 Location of Property Lines. Owner will locate and point out the property lines to Contractor, and will engage a licensed land surveyor to provide boundary stakes if Owner is in doubt as to property boundaries. Owner assumes all responsibility for the accuracy of the boundary markers.

5.4 Provision of Utilities. Unless otherwise specified in the Contract Documents, Owner will provide all water, sewer, gas, telephone and electric utilities from the point of entry at Owner's

property line or, if metering devices are required, to those devices. Owner will provide a telephone line for the project for the use of Contractor and to facilitate communications between Owner and Contractor. Owner will hire a locator service to identify the locations of any underground utilities located on Owner's property. Failure by Owner to do so shall constitute a waiver of claims arising from an interruption of utilities as the result of Contractor's activities on Owner's property. Alternatively, Owner will pay Contractor a fee equal to the actual cost of a locator service, plus a mark-up of 20%.

5.5 Access to Work Areas and Areas for Storage. Owner will grant free access to work areas for workers and vehicles and shall provide areas for storage of materials and debris. Owner agrees to keep driveways clear and available for movement and parking of trucks during scheduled working hours.

5.6 Additional Facilities. In compliance with federal and state law, Owner agrees to make drinking water and toilet facilities available to all workers or to compensate Contractor for the cost of rented facilities.

SECTION 6. CONTRACTOR

6.1 Licensing. Contractor currently holds a valid license under the laws and statutes of the State of California.

CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND REGULATED BY THE CONTRACTORS' STATE LICENSE BOARD. ANY QUESTIONS CONCERNING A CONTRACTOR MAY BE REFERRED TO THE REGISTRAR, CONTRACTORS STATE LICENSE BOARD, 3132 BRADSHAW ROAD, SACRAMENTO, CALIFORNIA. MAILING ADDRESS: P.O. BOX 26000, SACRAMENTO, CALIFORNIA 95826.

6.2 Permits, Fees, Licenses and Inspections. Contractor shall secure the building permit and other permits and governmental fees, licenses and inspections necessary for execution and completion of the Contract Work. Owner shall pay the fees for the permits, licenses and inspection.

6.3 Legal Compliance and Required Notices. Contractor shall comply with and give notices required by laws, ordinances, rules, regulations, and lawful orders of public authorities bearing on performance of the Contract Work. Contractor shall notify owner if drawings and specifications are observed by Contractor to be at variance therewith.

6.4 Insurance.

6.4.1 GENERAL LIABILITY INSURANCE. This contractor does _____ does not _____ carry general liability insurance. (choose one only, line out other)

If this contractor carries general liability insurance, it is written by _____.

You may call _____ (company name) at _____ to check the contractor's insurance coverage.

If this contractor carries no general liability insurance, it is self-insured.

(See attached CSLB Sheet on the value of commercial general liability insurance)

6.4.2 WORKERS COMPENSATION INSURANCE. This contractor is _____ is not _____ exempt from workers compensation insurance requirements, because it does _____ does not _____ have any employees. (Choose one only, line out other). If this contractor has employees, it carries workers compensation insurance for all employees.

6.5 Direction and Supervision. Contractor shall direct and supervise the Contract Work using Contractor's best skill and attention. Contractor shall be responsible for and have control over construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Contract Work, unless otherwise specified in the Contract Documents.

6.6 Accumulation/Removal of Waste Materials. Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by execution of the Contract Work. At the completion of the Contract Work, Contractor shall remove from and about the Project waste materials, rubbish, surplus materials and Contractor's tools, equipment and machinery.

SECTION 7. CHANGES IN THE CONTRACT WORK

7.1 Written Change Order. Changes in the Contract Work shall be authorized by written change order signed by Owner and Contractor on a form substantially identical to the form attached hereto as Exhibit A, and shall become part of the Contract only if it is in writing and signed by the parties prior to the commencement of the work for which payment is made.

The owner may not require the 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 or a change order is not enforceable against an owner unless the change order also identifies all of the following in writing prior to commencement of any work covered by the new change order:

- A. The scope of work encompassed by the change order;
- B. The amount to be added or subtracted from the contract based on the change order;
- C. The effect the change order will make on the progress payments or the completion date.

The contractor's failure to comply with the requirements of this paragraph does not preclude recovery by the contractor of compensation for work performed based on legal or equitable remedies designed to prevent unjust enrichment.

7.2 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.

7.3 Notification of Defect; Authorization to Cure. Contractor shall notify Owner of any defect which Contractor contends exists in drawings, specifications, addenda or modifications included in the Contract Documents. Defects shall include, without limitation, requirements of governmental building codes or officials of governmental building departments not provided for in the Contract Documents. Changes in the Contract Work necessitated by any defect shall be authorized as provided in paragraph 7.3.

7.4 Cost of Changes. Changes in the Contract Work, including allowances, shall be charged to Owner at cost of labor and materials plus _____ percent (_____%) of those costs.

SECTION 8. DELAY

8.1 Act or Neglect of Owner. If Contractor is delayed in the progress of the Contract Work by an act or neglect of Owner, then the Contract Sum and the Date of Substantial Completion shall be adjusted by change order for such reasonable amount and time as the Owner and Contractor agree upon.

8.2 Causes Beyond the Control of Contractor. If such delay is not the fault of the Owner, but is the result of causes beyond the control of Contractor, then the Date of Substantial Completion only shall be adjusted by change order for such reasonable time as the Owner and Contractor agree upon.

SECTION 9. TERMINATION

9.1 Termination by Owner. If Contractor persistently or repeatedly fails to or neglects to carry out the Contract Work in accordance with the Contract Documents and fails within seven (7) days after receipt of written notice to commence a continued correction of such default or neglect, Owner may, after seven (7) days following receipt by Contractor of an additional written notice, terminate this Agreement.

9.2 Termination by Contractor. Contractor may, at its option, stop work on the contract work any time Owner is more than 10 days delinquent in making a payment under this Agreement. If the Contract Work is stopped for a period of thirty (30) days through no fault of the Contractor, either because Owner has not made payments thereon as provided in this Agreement, has failed to execute change orders, has failed to make selections or for any other cause, then Contractor may, upon seven (7) days' written notice to Owner, terminate this Agreement and recover from Owner payment for all work executed and for any loss resulting from the stoppage of the Contract Work, including but not limited to reasonable overhead, profit and damages.

SECTION 10. MISCELLANEOUS

10.1 Assignment. Contractor shall not assign this Agreement or its proceeds, nor any part of the Contract Work, without the prior written approval of Owner, which shall not be unreasonably withheld.

10.2 Successors, Assigns, etc. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, personal representatives and heirs.

10.3 Agreement Provisions Control. In the event of inconsistency between any provision of this Agreement and any document herein referred to or made a part hereof by incorporation, said provision of this Agreement shall control.

10.4 Effect of Invalid Provisions. If any provision hereof shall be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

10.5 Paragraph Captions for Convenience Only. The captions at the beginning of each section and paragraph of this Agreement are for convenience only and are not to be given any weight in construing the provisions of this Agreement.

10.6 Agreement Not Construed Against Preparing Party. Owner and Contractor agree that each has had ample opportunity to review and to participate in the formulation of the provisions of this Agreement and that this Agreement shall not be construed against either party as to the party preparing same.

10.7 Amendment and Modification. This Agreement may not be amended or modified other than by written agreement of the parties hereto (except as otherwise specifically provided herein).

10.8 Waiver. Waiver of any breach hereof shall not constitute a waiver of any subsequent breach of the same or any other provision hereof.

10.9 Notices. All notices required of the parties under this Agreement may be given by ordinary mail at the address contained in this Agreement. Notice shall be considered received one (1) day after it is deposited in the mail with postage prepaid.

10.10 Attorneys' Fees. Owner and Contractor agree that in the event any process of law, whether arbitration or litigation, is resorted to by either party to enforce any provision of this Agreement, the prevailing party shall be entitled to payment by losing party of all costs, interest, and experts' costs and attorneys' fees actually incurred.

10.11 Mediation of Disputes. The parties to this agreement agree to mediate, using the PENINSULA BUILDERS EXCHANGE DISPUTE RESOLUTION CENTER, any dispute or claim arising out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Mediation fees, if any, shall be divided equally among the parties involved. If any party commences an action based on a dispute or claim under this Agreement, without first attempting to resolve the matter through mediation, then that party shall not be entitled to recover experts'

costs and attorneys' fees, even if they would otherwise be recoverable to that party in any such action or arbitration. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.

10.12 Arbitration of Disputes: The parties hereto shall submit any and all disputes arising under or relating to the terms and conditions of this contract to arbitration in through the PENINSULA BUILDERS EXCHANGE DISPUTE RESOLUTION CENTER. The demand for arbitration shall be made within a reasonable time after written notice of the claim, dispute or other matter in question has been given, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such claim dispute or other matter in question would be barred by the applicable statute of limitations. The award rendered by the arbitrator(s) shall be final and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction. Any award rendered by an arbitrator shall comply with California law; in the event that the award does not comply with California law, then the parties may appeal said decision to the Superior Court and any decision rendered therein shall be final and binding and shall not give rise to the right to a subsequent appeal. Should an appeal be taken to Superior Court, discovery shall be limited to one deposition, one set of form interrogatories and one set of requests for production per side. The prevailing party in any such dispute shall be entitled to recover their costs, as defined by the Code of Civil Procedure, as well as the costs of the PENINSULA BUILDERS EXCHANGE arbitration.

10.13 No Limitation of Rights or Remedies. This Section shall not be deemed a limitation of any rights or remedies which Contractor may have under any federal or state mechanics' lien laws unless such rights or remedies are expressly waived by it.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL, EXCEPT AS NOTED ABOVE. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY, EXCEPT AS NOTED ABOVE, AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE BUSINESS AND PROFESSIONS CODE OR OTHER APPLICABLE LAWS. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE ARBITRATION OF DISPUTES PROVISION TO NEUTRAL ARBITRATION.

(Initials) _____ (Owner) _____ (Owner) _____ (Contractor)

10.14 Governing Law. This Agreement shall be governed in all respects by and construed in accordance with the laws of the State of California.

10.15 Entire Agreement. This Agreement recites the entire agreement between the parties hereto and supersedes any and all prior negotiations, representations, or agreements, oral or written, between the parties.

SECTION 11. TOXICS

11.1 Owner represents to Contractor that he or she is unaware of the presence of any toxic substances on the premises. Contractor is relying upon Owner's representations that there are no toxic substances on the premises. If Owner suspects that there may be toxic substances on the premises, then Owner shall direct Contractor, at Owner's expense, to obtain a Level One Environmental Survey to determine if toxic substances are present before the commencement of other work. In the event that Contractor discovers the presence of toxic substances on the premises during the course of construction, Owner and Contractor agree that all work shall cease at the Project until such time as the nature and extent of the hazard is determined.

11.2 Owner agrees to indemnify and hold Contractor harmless from any claims or damages assessed against Contractor for his activities on the premises to the extent that those claims or damages arise from toxic substances which were present on the premises before Contractor commenced work.

MECHANICS LIEN WARNING:

Anyone who helps improve your property, but who is not paid, may record what is called a mechanic's lien on your property. A mechanic's 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 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.

ACCEPTANCE OF PROPOSAL. The above or attached prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance _____

Signature

Signature

CONTRACTOR

Signature

Registration number: _____

NOTICE: The owner or tenant has the right to require the contractor to have a performance and payment bond.

NOTICE: If this contract provides for a contractor to furnish joint control, the contractor shall not have any financial or other interest in the joint control.

RIGHT TO CANCEL. The three-day and seven day "RIGHT TO CANCEL" of owner begins when the owner receives a signed copy of the written agreement. In the event a Notice of Cancellation is to be sent by the Owner of this agreement, that notice may be sent to the Contractor at the address noted in this Contract.

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.

Date

Buyer/Owner

Three-Day Notice of Cancellation (Buyer's Copy)

(enter date of transaction) _____
(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 _____
(name of seller)

at _____
(address of seller's place of business)

not later than midnight of _____
(Date)

I hereby cancel this transaction. _____ (Date) _____
(Buyer's signature)

Three-Day Notice of Cancellation (Contractor's Copy)

(enter date of transaction) _____
(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 _____
(name of seller)

At _____/
(address of seller's place of business)

not later than midnight of _____.
(Date)

I hereby cancel this transaction. _____
(Buyer's signature) (Date)

The following notice entitled "Seven-Day Right to Cancel" shall be provided to the buyer for any contract that is written for the repair or restoration of residential premises damaged by any sudden or catastrophic event for which a state of emergency has been declared by the President of the United States or the Governor, or for which a local emergency has been declared by the executive officer or governing body of any city, county, or city and county:

Seven-Day Right to Cancel (Buyer's Copy)

You, the buyer, have the right to cancel this contract within seven 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 seventh 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.

Notice of Cancellation /enter date of transaction/ -----
(Date)

You may cancel this transaction, without any penalty or obligation, within seven 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

(name of seller)

at _____
(address of seller's place of business)

not later than midnight of _____ (Date)

I hereby cancel this transaction. _____
Buyers signature Date

The following notice entitled "Seven-Day Right to Cancel" shall be provided to the buyer for any contract that is written for the repair or restoration of residential premises damaged by any sudden or catastrophic event for which a state of emergency has been declared by the President of the United States or the Governor, or for which a local emergency has been declared by the executive officer or governing body of any city, county, or city and county:

Seven-Day Right to Cancel (Contractor's Copy)

You, the buyer, have the right to cancel this contract within seven 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 seventh 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.

Notice of Cancellation /enter date of transaction/ ----- (Date)"You may cancel this transaction, without any penalty or obligation, within seven 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

(name of seller)

at _____
(address of seller's place of business)

not later than midnight of _____ (Date)

I hereby cancel this transaction. _____
Buyers signature Date