

INSTRUCTIONS — NOT PART OF THE AGREEMENT

This template helps you understand what a strong Alabama contractor agreement looks like. It is an educational starting point provided by jaspector.com — not a finished contract, and not legal advice. Alabama law imposes specific requirements on residential construction contracts, and local jurisdictions may add further obligations. Have this document reviewed by an Alabama-licensed attorney before use. Use of this template does not create an attorney-client relationship, and jaspector.com assumes no liability for any outcomes arising from its use.

How to Use This Template

1. **Verify the contractor's license.** Use the [HBLB licensee search](#) to confirm the license is active and the license type covers your project. See our [Alabama license lookup guide](#) for step-by-step help.
2. **Download and print this document.** Fill in all blank fields — do not leave any section empty.
3. **Review each Alabama legal note.** These notes highlight state-specific legal protections. Read them carefully — they explain your rights as a homeowner.
4. **Both parties sign.** You and the contractor each get a signed copy before any work starts.
5. **Consult an attorney.** This template is a starting point. For large projects or complex scopes, have an Alabama-licensed attorney review the agreement.

Field-by-Field Guide

- › **Section 1 (Parties):** Fill in legal names exactly as they appear on official documents. The contractor's HBLB license number is required for any project exceeding \$10,000.
- › **Section 2 (Scope):** Be as specific as possible. "Kitchen remodel" is not enough — list materials, dimensions, finishes, and what is excluded.
- › **Section 3 (Payment):** Alabama does not impose a statutory deposit cap. Negotiate a reasonable deposit and tie every payment to a completed milestone, not a calendar date. A deposit of 10% or less is a widely recommended best practice.
- › **Section 4 (Timeline):** Get start and completion dates in writing. Fill in the delay penalties — these protect you if the contractor falls behind.
- › **Section 7 (Warranties):** Fill in the warranty period. One year is common; negotiate for more on major work.
- › **Section 8 (Insurance):** Alabama law (Section 34-14A-19) requires the builder to disclose in writing whether they carry liability insurance. This disclosure must be signed by the builder, homeowner, and one witness.
- › **Section 14 (Exhibits):** Attach all plans, specs, and the contractor's HBLB license printout. Check each box for what you are including.

Alabama Legal Notes

- › **Licensing threshold (Section 1):** Alabama requires HBLB licensure for residential construction projects exceeding \$10,000 in labor and materials (Code of Alabama Section 34-14A).
- › **No statutory deposit cap (Section 3):** Unlike some states, Alabama does not set a maximum deposit amount. Protect yourself by negotiating a reasonable deposit tied to the scope of the project.
- › **Liability insurance disclosure (Section 8):** Under Section 34-14A-19, the builder must disclose in writing whether they carry liability insurance before work begins. This disclosure requires three signatures: builder, homeowner, and one witness chosen by the homeowner.
- › **Three-day cancellation (Section 9):** If the contract was signed at your home (a "home solicitation sale"), you have 3 business days to cancel without penalty under Code of Alabama Section 5-19-12.
- › **Mechanics' liens (Section 11):** Contractors may file a lien within 6 months, subcontractors within 4 months, and laborers within 30 days of last furnishing work or materials. Request lien waivers with every payment.
- › **HBLB complaints (Section 10):** File complaints with the Home Builders Licensure Board at 1-800-304-0853 or hblb.alabama.gov for licensed or unlicensed residential construction activity.

About Jaspector

Jaspector is an AI-powered property advisory service that helps homeowners navigate construction projects, verify contractors, and resolve disputes. If a dispute arises during your project, jaspector.com can help you document the issue and build a resolution strategy.

Learn more at jaspector.com — or email hi@jaspector.com to get started.

This section is provided by jaspector.com as an educational resource. It is not part of the agreement, does not constitute legal advice, and does not create an attorney-client or endorsement relationship.

ALABAMA HOMEOWNER-CONTRACTOR AGREEMENT

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Section 1: Parties

Homeowner (Property Owner)

Name(s)

Property Address

Mailing Address (if different)

Phone

Email

Contractor

Business Name (Legal Entity)

HBLB License Number

HBLB License Type

Qualifying Individual Name

Business Address

Phone

Email

Workers' Comp Policy #

General Liability Policy #

Section 2: Scope of Work

2.1 Project Description

Describe the work in specific, measurable detail. Include materials, methods, dimensions, and reference any plans, drawings, or specifications attached as exhibits.

2.2 Work NOT Included

Explicitly list work excluded from this contract to prevent scope disputes.

2.3 Permits and Inspections

- Contractor is responsible for obtaining all required building permits
- Contractor is responsible for scheduling all required inspections
- Permit costs are: Included in contract price / Billed separately at cost

2.4 Plans and Specifications

- Attached as Exhibit A (architectural / engineering plans)
- Attached as Exhibit B (material specifications)
- No formal plans — scope defined by Section 2.1 above

Section 3: Contract Price and Payment Schedule

3.1 Total Contract Price

Total Contract Price	\$
Sales Tax (if applicable)	\$
Permit Fees (if billed separately)	\$
Total Amount Due	\$

3.2 Payment Schedule

PAYMENT	AMOUNT	TRIGGER (WORK MILESTONE)
Down Payment	\$	Upon signing
Progress Payment 1	\$
Progress Payment 2	\$
Progress Payment 3	\$

PAYMENT	AMOUNT	TRIGGER (WORK MILESTONE)
Final Payment	\$	Completion and final inspection
Total	\$	

3.3 Payment Terms

Payments are due within days of written invoice

Acceptable payment methods:

No payment shall be due for work not yet performed or materials not yet delivered to the job site

Final payment is due only after: (a) all work is complete, (b) final inspection is passed (if applicable), and (c) Homeowner has had reasonable opportunity to inspect

Section 4: Project Timeline

Estimated Start Date

Estimated Completion Date

4.1 Delays

Contractor shall notify Homeowner in writing within **48 hours** of any event that may delay the project

Excusable delays include: weather, permit delays, material shortages, acts of God, government orders

Non-excusable delays exceeding business days entitle Homeowner to a daily credit of \$ (liquidated damages), not to exceed % of the total contract price

If the project is not substantially complete within days of the estimated completion date (excluding excusable delays), Homeowner may terminate this contract under Section 9

Section 5: Change Orders

Any changes to the scope, price, or timeline of this contract must be documented in a written Change Order signed by both parties before the changed work begins.

Each Change Order shall include:

1. Description of the changed work
2. Addition to or deduction from the contract price
3. Impact on the project timeline
4. Signature of both Homeowner and Contractor

No verbal agreements will modify this contract.

Section 6: Materials and Workmanship

6.1 Materials

All materials shall be new unless otherwise specified in writing

Specific materials, brands, and grades are listed in: Section 2.1 / Exhibit B

Substitutions require prior written approval from Homeowner

Contractor warrants that all materials comply with applicable building codes

6.2 Workmanship Standards

All work shall be performed in a professional, workmanlike manner

All work shall comply with applicable Alabama building codes and local ordinances

All work shall conform to the plans, specifications, and scope described in this contract

Contractor shall maintain a clean and safe job site

6.3 Subcontractors

Contractor will / will not use subcontractors

If subcontractors are used, Contractor remains fully responsible for their work, licensing, and insurance

All subcontractors performing work that requires an HBLB license must hold a valid, active license

Homeowner may request HBLB license numbers for any subcontractor working on the project

Section 7: Warranties

7.1 Contractor Warranty

Contractor warrants all labor and workmanship for a period of _____ year(s) from the date of completion. During this period, Contractor shall repair or correct, at Contractor's expense, any defects in workmanship or materials furnished by Contractor.

7.2 Manufacturer Warranties

Contractor shall provide Homeowner with all manufacturer warranties for materials and equipment installed. Contractor shall ensure installations comply with manufacturer specifications to preserve warranty coverage.

7.3 Warranty Exclusions

This warranty does not cover:

Normal wear and tear

Damage caused by Homeowner negligence or misuse

Damage caused by third parties or acts of God

Items specifically excluded in writing

Section 8: Insurance and Bonding

8.1 Contractor Insurance Requirements

COVERAGE	MINIMUM AMOUNT
General Liability	\$
Workers' Compensation	Statutory limits (required if Contractor has employees)
Automobile Liability (if applicable)	\$

Contractor shall provide certificates of insurance upon request

Homeowner shall be named as additional insured on the general liability policy

8.2 Alabama Liability Insurance Disclosure

Alabama Requirement (Code of Alabama Section 34-14A-19): Prior to the commencement of residential home building, the residential home builder shall disclose in writing to the homeowner whether the builder has obtained and is currently maintaining liability insurance. This written disclosure must be signed by the builder and the homeowner and attested by one witness selected by the homeowner.

Section 9: Termination

9.1 Homeowner's Right to Terminate

Homeowner may terminate this contract at any time by providing written notice to Contractor. Upon termination:

Homeowner shall pay for all work satisfactorily completed and materials delivered to the job site as of the termination date

Contractor shall provide an itemized accounting of all work completed and materials delivered within **10 business days** of termination

Contractor shall not charge a cancellation penalty exceeding the actual costs reasonably incurred

9.2 Contractor's Right to Terminate

Contractor may terminate this contract if:

Homeowner fails to make a payment due under this contract within days of written notice of default

Conditions at the job site make the work unsafe or illegal to continue

9.3 Three-Day Right to Cancel (Home Solicitation Sales)

Alabama Law (Code of Alabama Section 5-19-12): If this contract was solicited at the Homeowner's residence, the Homeowner has the right to cancel this contract until midnight of the **third (3rd) business day** following the date of signing without penalty. To cancel, deliver or mail a written notice to the Contractor stating that you are cancelling the agreement. The notice is effective when delivered or when deposited in the mail, properly addressed, postage prepaid. Within 10 days of cancellation, the Contractor must return any payments made by the Homeowner.

Section 10: Dispute Resolution

10.1 Informal Resolution

The parties agree to attempt informal resolution of any dispute by written notice describing the issue. The other party shall respond in writing within **15 business days**.

10.2 Mediation

If informal resolution fails, the parties agree to submit the dispute to non-binding mediation before a mutually agreed mediator. Mediation costs shall be shared equally.

10.3 HBLB Complaint

Alabama Resource: Homeowners may file a complaint with the Alabama Home Builders Licensure Board regarding licensed or unlicensed residential construction activity. Filing a complaint does not prevent the homeowner from also pursuing legal remedies. Contact the HBLB at 1-800-304-0853 or visit hblb.alabama.gov.

10.4 Legal Action

If mediation fails, either party may pursue legal action in the county where the property is located. The prevailing party shall be entitled to recover reasonable attorney's fees and costs. Alabama small claims court handles disputes up to \$6,000.

Section 11: Mechanics' Lien Notice

Alabama Law (Code of Alabama Title 35, Chapter 11): Alabama allows contractors, subcontractors, and material suppliers to place a mechanics' lien on your property if they are not paid for work or materials. This lien can affect your ability to sell or refinance.

11.1 Protecting Against Mechanics' Liens

Request **lien waivers** from the contractor and all subcontractors with each progress payment

Request a **final lien waiver** upon final payment

Consider requiring Contractor to provide a list of all subcontractors and material suppliers at the start of the project

11.2 Lien Filing Deadlines

Under Alabama law, mechanics' lien filing deadlines vary by claimant type:

Original contractors: Must file a verified statement of lien within **6 months** after the last date of providing labor or materials

Subcontractors and suppliers: Must file within **4 months** after the last date of providing labor or materials

Laborers: Must file within **30 days** after the last date of providing labor

11.3 Unpaid Lien Notice

Subcontractors and suppliers who did not contract directly with the property owner must deliver a **Notice of Unpaid Lien** to the property owner before filing a lien. Alabama law does not specify a deadline for this notice, only that it must be delivered before the lien is filed.

Section 12: Additional Alabama Requirements

12.1 Home Builders Licensure (Code of Alabama Section 34-14A)

Alabama law requires that residential home builders be licensed by the Home Builders Licensure Board for any project where the cost of labor and materials exceeds \$10,000. This contract should include:

- The contractor's business name, address, and HBLB license number
- A description of the work to be performed and materials to be used
- The contract price and payment schedule
- The approximate start and completion dates
- The liability insurance disclosure required by Section 34-14A-19

12.2 Liability Insurance Disclosure

Prior to beginning work, the residential home builder must disclose in writing to the homeowner whether the builder has obtained and is currently maintaining liability insurance. This disclosure must be signed by the builder, the homeowner, and attested by one witness selected by the homeowner. (Code of Alabama Section 34-14A-19)

12.3 HBLB License Statement

Residential home builders are required by law to be licensed and regulated by the Alabama Home Builders Licensure Board. Any questions concerning a residential home builder may be directed to the Home Builders Licensure Board, 445 Herron Street, Montgomery, Alabama 36104, or by calling 1-800-304-0853.

Section 13: General Provisions

13.1 Entire Agreement

This contract, including all exhibits and change orders, constitutes the entire agreement between the parties. No prior verbal or written representations shall be binding unless incorporated herein.

13.2 Severability

If any provision of this contract is found unenforceable, the remaining provisions shall continue in full force and effect.

13.3 Governing Law

This contract shall be governed by the laws of the State of Alabama.

13.4 Notice

All notices under this contract shall be in writing and delivered to the addresses listed in Section 1, by personal delivery, certified mail, or email with confirmed receipt.

13.5 Assignment

Neither party may assign this contract without the prior written consent of the other party.

Section 14: Exhibits and Attachments

- Exhibit A: Plans and Drawings
- Exhibit B: Material Specifications
- Exhibit C: Liability Insurance Disclosure (required by Section 34-14A-19)
- Exhibit D: Contractor's HBLB License Printout
- Exhibit E: Certificates of Insurance
- Additional:

Signatures

By signing below, both parties acknowledge that they have read, understand, and agree to all terms of this contract.

Homeowner

Signature

Printed Name

Date

Homeowner (if jointly owned)

Signature

Printed Name

Date

Contractor

Signature

Printed Name

Title

HBLB License #

Date

Alabama Pre-Signing Checklist (For Homeowner Use)

Before signing, confirm:

- Verified contractor's HBLB license is active at hblb.alabama.gov
- License type covers the project scope
- Workers' compensation status confirmed (if contractor has employees)
- Liability insurance disclosure signed by builder, homeowner, and one witness (Section 34-14A-19)
- Down payment amount is reasonable and negotiated (no statutory cap in Alabama)
- Three-Day Right to Cancel notice acknowledged (if contract signed at your home)
- All blank fields in this contract are filled in — no blank spaces
- Received a signed copy of the complete contract before work starts
- Payment schedule tied to work milestones, not calendar dates
- Plans, specs, and material lists are attached or described in detail

This template was prepared by jaspector.com as an educational resource for Alabama homeowners. It is not legal advice. Alabama residential construction law is detailed and evolving — consult an Alabama-licensed attorney before executing any construction contract.

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