

## INSTRUCTIONS — NOT PART OF THE AGREEMENT

This template helps you understand what a strong Arizona contractor agreement looks like. It is an educational starting point provided by jaspector.com — not a finished contract, and not legal advice. Arizona law imposes specific requirements on construction contracts over \$1,000, and local jurisdictions may add further obligations. Have this document reviewed by an Arizona-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

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1. **Verify the contractor's license.** Use the **Arizona ROC license lookup** at [roc.az.gov](http://roc.az.gov) to confirm the license is active, the classification matches your project, and the bond and complaint history are current. See our Arizona license lookup guide at [jaspector.com/resources/contractor-license-requirements/arizona/](http://jaspector.com/resources/contractor-license-requirements/arizona/) for step-by-step help.
2. **Download and print this document.** Fill in all blank fields — do not leave any section empty. Arizona law (ARS 32-1158) requires specific information in all construction contracts over \$1,000.
3. **Review each Arizona callout box.** These boxes 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 Arizona-licensed attorney review the agreement.

## Field-by-Field Guide

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- › **Section 1 (Parties):** Fill in the legal names exactly as they appear on official documents. The contractor's ROC license number is required by Arizona law for contracts over \$1,000.
- › **Section 2 (Scope):** Be as specific as possible. "Kitchen remodel" is not enough — list materials, dimensions, finishes, and what is excluded.
- › **Section 3 (Payment):** Arizona does not impose a statutory deposit cap, but best practice is to negotiate a reasonable down payment (10-15% is common) and tie every payment to a completed milestone, not a calendar date. The contract must disclose the deposit amount and each progress payment amount and trigger.
- › **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 14 (Exhibits):** Attach all plans, specs, and the contractor's ROC license printout. Check each box for what you are including.

## Arizona Legal Notes

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- › **Licensing (Section 1):** Arizona requires a contractor license for projects over \$1,000 (including labor and materials) through the Registrar of Contractors (ROC). Verify at [roc.az.gov](http://roc.az.gov). ARS Title 32, Chapter 10 governs contractor licensing.
- › **Contract requirements (Section 12):** ARS 32-1158 requires written contracts over \$1,000 to include specific information: contractor name/address/license, owner info, contract date, completion date, work description, total price, deposit amount, and progress payment schedule.
- › **Deposit (Section 3):** Arizona has no statutory cap on deposits, unlike California. Negotiate a reasonable amount and ensure it is clearly stated in the contract.
- › **Cancellation (Section 9.3):** Under Arizona's Home Solicitation Sales Act (ARS 44-5001 et seq.), if the contract was solicited at your home (door-to-door), you may cancel until midnight of the third business day after signing. If you contacted the contractor first, this cooling-off period generally does not apply.
- › **Mechanics' liens (Section 11):** Arizona has strong owner-occupant protections (ARS 33-1002). Only parties with a direct written contract with an owner-occupant can file a lien on their residence. Subcontractors and suppliers cannot lien an owner-occupied home. Liens must be filed within 120 days of completion, or 60 days if a Notice of Completion is recorded.
- › **Bonding (Section 8):** Residential contractor bonds range from \$4,250 to \$15,000 depending on classification and volume. The ROC also maintains a Residential Contractors' Recovery Fund (ARS 32-1132) that provides up to \$30,000 per residence for owner-occupants harmed by licensed contractors.
- › **Disputes (Section 10):** The ROC investigates complaints and can order corrective action, suspend or revoke licenses, and assess civil penalties. Arizona Justice Courts handle civil disputes up to \$10,000; Superior Court handles larger amounts.

## About Jaspector

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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](http://jaspector.com) can help you document the issue and build a resolution strategy.

Learn more at [jaspector.com](http://jaspector.com) or email [hi@jaspector.com](mailto:hi@jaspector.com) to get started.

The instructions above are provided by [jaspector.com](http://jaspector.com) as an educational resource. They are not part of the agreement, do not constitute legal advice, and do not create an attorney-client or endorsement relationship.

# ARIZONA HOMEOWNER-CONTRACTOR AGREEMENT

Governed by Arizona Revised Statutes Title 32, Chapter 10 and Title 33, Chapter 7

## Section 1: Parties

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### Homeowner (Property Owner)

Name(s) .....

Property Address .....

Mailing Address (if different) .....

Phone .....

Email .....

### Contractor

Business Name (Legal Entity) .....

ROC License Number .....

ROC License Classification(s) .....

Qualifying Party Name .....

Business Address .....

Phone .....

Email .....

Workers' Compensation Policy # .....

General Liability Policy # .....

## Section 2: Scope of Work

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### 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

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## 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 | \$ ..... | .....                    |

| PAYMENT            | AMOUNT          | TRIGGER (WORK MILESTONE)        |
|--------------------|-----------------|---------------------------------|
| Progress Payment 3 | \$ .....        | .....                           |
| Final Payment      | \$ .....        | Completion and final inspection |
| <b>Total</b>       | <b>\$</b> ..... |                                 |

### 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 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

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### 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 Arizona 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 \_\_\_\_\_ use subcontractors (will / will not)
- › If subcontractors are used, Contractor remains fully responsible for their work, licensing, and insurance
- › All subcontractors performing work that requires an ROC license must hold a valid, active license
- › Homeowner may request ROC license numbers for any subcontractor working on the project

## Section 7: Warranties

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### 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

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### 8.1 Contractor Insurance Requirements

Contractor shall maintain, at minimum, the following coverage for the duration of the project:

| 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 ROC Contractor Bond

Licensed contractors must maintain a surety bond or cash deposit with the Arizona Registrar of Contractors (ARS 32-1152). Residential bond amounts range from \$4,250 to \$15,000 depending on license classification and anticipated annual gross volume. Verify bond status at [roc.az.gov](http://roc.az.gov).

### 8.3 Residential Contractors' Recovery Fund

Arizona maintains a Residential Contractors' Recovery Fund (ARS 32-1132) that provides up to \$30,000 per residence for owner-occupants who suffer actual damages from a licensed residential contractor's failure to adequately perform. Eligibility requires that the contractor's license was suspended or revoked as a result of a formal complaint.

## Section 9: Termination

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### 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 Right to Cancel (Home Solicitation Sales)**

Under Arizona law (ARS 44-5001 et seq.), if this contract was solicited at the Homeowner's residence (door-to-door sale) and was not the result of the Homeowner's prior invitation or appointment, the Homeowner has the right to cancel this contract until midnight of the third business day after the day the Homeowner signed the agreement. "Business day" excludes Sundays and federal holidays. The Contractor must provide a written notice of this cancellation right at the time of signing. After cancellation, the Contractor must return all payments within ten business days.

If the Homeowner initiated contact with the Contractor (e.g., requested a bid, scheduled a consultation), this cooling-off period generally does not apply.

## **Section 10: Dispute Resolution**

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### **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 ROC Complaint**

Homeowners may file a complaint with the Arizona Registrar of Contractors at any time. The ROC investigates complaints involving licensed and unlicensed contractor activity, and can order corrective action, suspend or revoke licenses, and assess civil penalties. Filing an ROC complaint does not prevent the homeowner from also pursuing legal remedies. File at [roc.az.gov](http://roc.az.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.

## **Section 11: Mechanics' Lien Notice**

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Arizona law (ARS 33-981 et seq.) 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 Owner-Occupant Protection

If you are an owner-occupant (you own and reside or intend to reside in the home), only parties who have a direct written contract with you may file a mechanics' lien against your property (ARS 33-1002).

Subcontractors and material suppliers who do not have a direct contract with you cannot lien your owner-occupied residence. To qualify, you must hold recorded title and occupy or intend to occupy the home for at least 30 days during the 12 months following project completion.

## 11.2 Protecting Against Mechanics' Liens

- › Request **lien waivers** from the contractor 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
- › If an improper lien is filed against your owner-occupied residence, you may demand its release in writing; the lienholder must release it within 20 days or face \$1,000 in statutory damages plus actual damages (ARS 33-1006)

## 11.3 Preliminary 20-Day Notice

Under Arizona law, subcontractors and material suppliers must serve a Preliminary 20-Day Notice within 20 days of first furnishing labor or materials (ARS 33-992.01). If you receive a Preliminary Notice, it does not mean there is a problem — it preserves the sender's right to file a lien if they are not paid. Keep all Preliminary Notices on file.

## 11.4 Lien Filing Deadlines

- › **Standard deadline:** A mechanics' lien must be recorded within **120 days** after completion of the building, structure, or improvement (ARS 33-993)
- › **If Notice of Completion is recorded:** The lien must be filed within **60 days** after the recording of the Notice of Completion
- › Recording a Notice of Completion after your project is done shortens the window during which liens can be filed from 120 days to 60 days

## Section 12: Additional Arizona Requirements

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### 12.1 Contract Requirements Under ARS 32-1158

Arizona law requires that construction contracts over \$1,000 include:

- The contractor's name, business address, and ROC license number
- The owner's name, mailing address, and jobsite address or legal description
- The date the parties entered into the contract
- The estimated date of completion
- A description of the work to be performed
- The total dollar amount to be paid, including all applicable taxes
- The dollar amount of any advance deposit
- The dollar amount and milestone trigger for each progress payment

### 12.2 ROC License Statement

Contractors are required by law to be licensed by the Arizona Registrar of Contractors. Any questions concerning a contractor may be referred to the Registrar of Contractors, 1700 W. Washington St., Suite 105, Phoenix, AZ 85007, (602) 542-1525 or roc.az.gov.

### 12.3 Right to Complain to the ROC

The homeowner has the right to file a complaint with the Registrar of Contractors at any time during or after the project. The ROC can investigate, order corrective work, and take disciplinary action against the contractor's license.

## Section 13: General Provisions

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- › **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.
- › **Severability:** If any provision of this contract is found unenforceable, the remaining provisions shall continue in full force and effect.
- › **Governing Law:** This contract shall be governed by the laws of the State of Arizona.
- › **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.
- › **Assignment:** Neither party may assign this contract without the prior written consent of the other party.

## Section 14: Exhibits and Attachments

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- Exhibit A: Plans and Drawings
- Exhibit B: Material Specifications

- Exhibit C: Notice of Right to Cancel (if home solicitation sale)
- Exhibit D: Contractor's ROC License Printout
- Exhibit E: Certificates of Insurance
- Additional: .....

## Signatures

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

### Homeowner

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Signature

Printed Name

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Date

.....

### Homeowner (if jointly owned)

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Signature

Printed Name

.....

Date

.....

### Contractor

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Signature

Printed Name

.....

Title

.....

ROC License #

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Date

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## Arizona Pre-Signing Checklist

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Before signing, confirm each item:

- Verified contractor's ROC license is active at [roc.az.gov](http://roc.az.gov)
- License classification covers the project type
- Workers' compensation status confirmed (if contractor has employees)
- Bond status confirmed (check ROC record for bond amount and surety)
- Complaint history reviewed on ROC website
- Down payment amount is reasonable and disclosed in the contract
- 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
- If solicited at your home, cancellation notice was provided