

California Homeowner-Contractor Agreement

Home Improvement Contract Template — Governed by B&P Code §7159 & California Civil Code

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

This template was built by jaspector.com to help California homeowners protect themselves when hiring a contractor. It covers the key provisions required by California law, including deposit limits, cancellation rights, and mechanics' lien protections.

Before You Start

1. **Verify the contractor's license.** Go to the CSLB license lookup at [cslb.ca.gov](https://www.cslb.ca.gov) (<https://www.cslb.ca.gov/OnlineServices/CheckLicenseII/CheckLicense.aspx>) and confirm the license is active, the classification matches your project, and the bond and workers' comp are current. You can also use our free lookup guide at jaspector.com/resources/contractor-license-requirements/california.
2. **Print or save this document.** Fill in all blank fields — do not leave any section empty. California law requires a completely filled-in contract before work begins.
3. **Review each California 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 a California-licensed attorney review the agreement.

Field-by-Field Guide

- **Section 1 (Parties):** Fill in the legal names exactly as they appear on official documents. The contractor's CSLB license number is required by California law.
- **Section 2 (Scope):** Be as specific as possible. "Kitchen remodel" is not enough — list materials, dimensions, finishes, and what is excluded.
- **Section 3 (Payment):** California caps your down payment at \$1,000 or 10% of the contract price, **whichever is less**. Tie every payment to a completed milestone, not a calendar date.
- **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 CSLB license printout. Check each box for what you are including.

California Legal Notes by Section

The following notes explain California-specific protections referenced in the agreement. Read these before filling out the contract.

- **Section 1 (Parties):** Verify the contractor's CSLB license at cslb.ca.gov before signing. Confirm the license is active, the classification covers your project type, and the bond and workers' compensation status are current.
- **Section 2 (Permits):** The contractor, not the homeowner, should pull permits for licensed work. If a contractor asks you to pull the permit, that is a red flag — it may be an attempt to work outside their license classification or avoid CSLB oversight.
- **Section 3 (Payment):** California law (B&P Code §7159.5) caps your down payment at \$1,000 or 10% of the contract price, **whichever is less**. All subsequent payments must be tied to work completed — not calendar dates.
- **Section 5 (Change Orders):** Oral change orders are not enforceable under B&P Code §7159. If a contractor performs extra work without a signed change order, you are not obligated to pay for it.
- **Section 8 (Bonding):** Licensed contractors must maintain a \$25,000 contractor bond with the CSLB. This bond provides a limited recovery mechanism for homeowners.
- **Section 9 (Cancellation):** If this contract is signed at your home or anywhere other than the contractor's place of business, you have the right to cancel within three (3) business days without penalty (Civil Code §1689.5–1689.14). The contractor must provide a "Notice of the Three-Day Right to Cancel" form at signing. If they do not, the cancellation period extends indefinitely.
- **Section 10 (Disputes):** You may file a complaint with the CSLB at any time. The CSLB investigates complaints involving both licensed and unlicensed contractors. Filing does not prevent you from also pursuing legal remedies. File at cslb.ca.gov/consumers.
- **Section 11 (Liens):** California allows contractors, subcontractors, and suppliers to place a mechanics' lien on your property if they are not paid (Civil Code §8034, §8200–8494). Request unconditional lien waivers with each payment. A "Preliminary Notice" is a routine legal step — not a threat. It preserves the sender's right to file a lien if unpaid.
- **Section 12 (Required Notices):** California law requires: "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." Contractors are required by law to be licensed and regulated by the CSLB (P.O. Box 26000, Sacramento, CA 95826).

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.

The instructions above are provided by 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.

CALIFORNIA HOMEOWNER-CONTRACTOR AGREEMENT

Home Improvement Contract — State of California

1. Parties

Homeowner (Property Owner)

Name(s)

Property Address

Mailing Address (if different)

Phone

Email

Contractor

Business Name (Legal Entity)

CSLB License Number

CSLB License Classification(s)

Qualifying Individual Name

Business Address

Phone

Email

Workers' Compensation Policy #

General Liability Policy #

2. Scope of Work

2.1 Project Description

2.2 Work NOT Included

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

3. Contract Price and Payment Schedule

3.1 Total Contract Price

ITEM	AMOUNT
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 (max \$1,000 or 10%)
Progress Payment 1	\$	
Progress Payment 2	\$	
Progress Payment 3	\$	
Progress Payment 4	\$	
Progress Payment 5	\$	

PAYMENT	AMOUNT	TRIGGER (WORK MILESTONE)
Progress Payment 6	\$	
Progress Payment 7	\$	
Progress Payment 8	\$	
Progress Payment 9	\$	
Progress Payment 10	\$	
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

4. Project Timeline

MILESTONE	DATE
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

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.

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 California 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 a CSLB license must hold a valid, active license
- Homeowner may request CSLB license numbers for any subcontractor working on the project

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

8. Insurance and Bonding

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

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

If this contract was signed at the Homeowner's residence or at a location other than the Contractor's place of business, the Homeowner has the right to cancel within three (3) business days of signing without penalty. Contractor must provide a "Notice of the Three-Day Right to Cancel" form at signing.

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 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.

11. Mechanics' Lien Notice

11.1 Protecting Against Mechanics' Liens

- Request **unconditional lien waivers** from the contractor and all subcontractors with each progress payment
- Request a **conditional final lien waiver** before making the final payment, and an **unconditional final lien waiver** upon final payment
- California provides four statutory lien waiver forms (Civil Code §8132–8138) — do not accept non-standard forms
- Consider requiring Contractor to provide a list of all subcontractors and material suppliers at the start of the project

11.2 Preliminary Notice

Subcontractors and material suppliers must serve a Preliminary Notice within 20 days of first furnishing labor or materials. Keep all Preliminary Notices on file.

12. Additional California Requirements

12.1 Contract Requirements Under B&P Code §7159

California law requires that home improvement contracts include:

- The contractor's name, business address, and CSLB 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
- A notice of the three-day right to cancel (if applicable)
- A statement that the contractor is licensed by the CSLB

12.2 Notice to Owner

"You are entitled to a completely filled in copy of this agreement, signed by both you and the contractor, before any work may be started."

12.3 CSLB License Statement

Contractors are required by law to be licensed and regulated by the Contractors State License Board (CSLB). Any questions concerning a contractor may be referred to the Registrar, Contractors State License Board, P.O. Box 26000, Sacramento, CA 95826.

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 California.

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.

14. Exhibits and Attachments

- Exhibit A: Plans and Drawings
 - Exhibit B: Material Specifications
 - Exhibit C: Notice of Three-Day Right to Cancel
 - Exhibit D: Contractor's CSLB License Printout
 - Exhibit E: Certificates of Insurance
 - Additional:
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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

CSLB License #

Date

California Pre-Signing Checklist (For Homeowner Use)

Before signing, confirm each item:

- Verified contractor's CSLB license is active at [cslb.ca.gov](https://www.cslb.ca.gov)
(<https://www.cslb.ca.gov/OnlineServices/CheckLicense/CheckLicense.aspx>)
- License classification covers the project type
- Workers' compensation status confirmed (if contractor has employees)
- Bond status confirmed (\$25,000 contractor bond)
- Down payment does not exceed \$1,000 or 10% of contract price
- Three-Day Right to Cancel notice provided (if signed at 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 California homeowners.

It is not legal advice. California home improvement contract law is detailed and evolving — consult a California-licensed attorney before executing any construction contract.

Template Version 1.0 — March 2026