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## INSTRUCTIONS — NOT PART OF THE AGREEMENT

### How to Use This Template

This template was built by [jaspector.com](https://jaspector.com) to help North Carolina homeowners protect themselves when hiring a contractor. It covers the key provisions recommended by the NC Licensing Board for General Contractors (NCLBGC), including licensing verification, lien protections, and cancellation rights.

#### Before You Start

1. **Verify the contractor's license.** Use the **NCLBGC license lookup** at [nclbgc.org](https://nclbgc.org) to confirm the license is active, the classification matches your project (Building, Residential, Highway, or Public Utilities), and the limitation tier (Limited / Intermediate / Unlimited) covers your project value. See our North Carolina license lookup guide at [jaspector.com/resources/contractor-license-requirements/north-carolina/](https://jaspector.com/resources/contractor-license-requirements/north-carolina/) for step-by-step help.
2. **Download and print this document.** Fill in all blank fields — do not leave any section empty. The NCLBGC recommends a completely filled-in contract before work begins.
3. **Review each North Carolina 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 North Carolina-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 NCLBGC license number, classification, and limitation tier are essential.
- **Section 2 (Scope):** Be as specific as possible. "Kitchen remodel" is not enough — list materials, dimensions, finishes, and what is excluded.
- **Section 3 (Payment):** Tie every payment to a completed milestone, not a calendar date. Include a retainage percentage. Keep the down payment reasonable.
- **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 NCLBGC license printout. Check each box for what you are including.

#### North Carolina Legal Notes

- **Licensing threshold:** A general contractor license is required for projects valued at \$40,000 or more (GS 87-1). Even below this threshold, verify the contractor's qualifications.
  - **No statutory deposit cap:** Unlike some states, North Carolina does not cap deposits by law. However, the NCLBGC recommends tying payments to work completed and retaining a percentage until the job is done. A large upfront deposit is a red flag.
  - **Cancellation rights:** If the contract is signed at your home (a "home solicitation sale"), you have three business days to cancel under GS 25A-39.
  - **Mechanics' liens:** Contractors and subcontractors can lien your property within 120 days of their last work (GS 44A). Request lien waivers with each payment.
  - **Workers' compensation:** Required under GS Chapter 97 if the contractor has employees. Ask for proof.
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## 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, we can help you document the issue and build a resolution strategy.

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

The instructions above are provided by [jaspector.com](https://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.

# NORTH CAROLINA HOMEOWNER-CONTRACTOR AGREEMENT

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**Important Disclaimer:** This document is an educational template provided by jaspector.com for informational purposes only. It is NOT legal advice and does NOT create an attorney-client relationship. This template is a starting point — not a finished contract. North Carolina law imposes specific requirements on general contracting and home improvement contracts, and local jurisdictions may add further obligations. Have this document reviewed by a North Carolina-licensed attorney before use. Jaspector assumes no liability for any outcomes arising from the use of this template.

# 1. Parties

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## Homeowner (Property Owner)

Name(s)

Property Address

Mailing Address (if different)

Phone

Email

## Contractor

Business Name (Legal Entity)

NCLBGC License Number

License Classification

License Limitation

Qualifying Individual

Business Address

Phone

Email

Workers' Comp Policy #

General Liability Policy #

**North Carolina Requirement:** Verify the contractor's license at the NCLBGC license lookup ([nclbgc.org](http://nclbgc.org)) before signing. Confirm the license is active, the classification covers your project type, and the license limitation (Limited up to \$500,000 / Intermediate up to \$1,500,000 / Unlimited) is sufficient for your project value. Under GS 87-1, a general contractor license is required for any project valued at \$40,000 or more.

## 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

**North Carolina Note:** Under GS 87-14, building permits for projects requiring a licensed general contractor must be issued only to licensed contractors. The contractor, not the homeowner, should pull permits. If a contractor asks the homeowner to pull the permit, that may indicate the contractor is not properly licensed.

### 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

Total Contract Price	\$
Sales Tax (if applicable)	\$
Permit Fees (if separate)	\$
<b>Total Amount Due</b>	<b>\$</b>

#### 3.2 Payment Schedule

**North Carolina Practice:** North Carolina does not impose a statutory cap on contractor deposits. However, the NCLBGC recommends that the payment schedule parallel the amount of work completed and that homeowners retain a percentage (retainage) until the entire job is completed. A down payment exceeding one-third of the total contract price is a red flag.

PAYMENT	AMOUNT	TRIGGER (WORK MILESTONE)
Down Payment	\$	Upon signing
Progress Payment 1	\$	
Progress Payment 2	\$	
Progress Payment 3	\$	
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
- Retainage of \_\_\_\_\_ % shall be withheld from each progress payment and released with the final payment upon satisfactory completion

## 4. Project Timeline

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Estimated Start Date

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Estimated Completion Date

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### 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

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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

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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 the North Carolina State Building Code 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 (circle one)
- If subcontractors are used, Contractor remains fully responsible for their work, licensing, and insurance
- All subcontractors performing work requiring a license under North Carolina law must hold a valid, active license
- Homeowner may request license numbers for any subcontractor working on the project

## 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

## 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:

General Liability	\$
Workers' Compensation	Statutory limits (required under GS Ch. 97 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

**North Carolina Note:** North Carolina does not require all licensed contractors to carry a surety bond. However, contractors who use a surety bond in lieu of meeting minimum financial requirements must maintain a bond (\$175,000 for Limited, \$500,000 for Intermediate, \$1,000,000 for Unlimited license). Ask your contractor whether they carry a bond and request documentation.

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

**North Carolina Law (GS 25A-39):** If this contract was solicited and signed at the Homeowner's residence or at a location other than the Contractor's established place of business (a "home solicitation sale"), the Homeowner has the right to cancel this contract until **midnight of the third business day** after the day the Homeowner signs the agreement, without penalty. The Contractor must provide a notice of the right to cancel at the time of signing. Cancellation must be in writing and is effective when deposited in the U.S. mail, properly addressed and postage prepaid. If the Contractor fails to provide the required cancellation notice, the cancellation period is extended until proper notice is given.

## 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 NCLBGC Complaint

**North Carolina Resource:** Homeowners may file a complaint with the North Carolina Licensing Board for General Contractors (NCLBGC) regarding licensed or unlicensed contractor activity. The NCLBGC investigates complaints and can take disciplinary action. Filing a complaint does not prevent the homeowner from also pursuing legal remedies. File at [nclbgc.org](http://nclbgc.org).

### 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.

**North Carolina Courts:** Small claims court handles disputes up to \$10,000. District court has jurisdiction for claims up to \$25,000. Superior court handles claims exceeding \$25,000.

## 11. Mechanics' Lien Notice

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**North Carolina Law (GS Chapter 44A, Article 2):** North Carolina allows contractors, subcontractors, and material suppliers to place a mechanics' lien (called a "claim of lien on real property") on your property if they are not paid for work or materials. A lien must be filed within **120 days** of the last furnishing of labor or materials. An action to enforce the lien must be commenced within **180 days** of the last furnishing. 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
- Under GS 44A-18(b), a blanket pre-project waiver of lien rights is void and unenforceable — waivers must be tied to specific payments received
- Request a final lien waiver from all parties 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 Agent

**North Carolina Requirement (GS 44A-11.1):** For new construction projects (not improvements to an existing owner-occupied single-family dwelling), the property owner must designate a **lien agent** — a title insurance company or agency — no later than when the building permit is issued. Subcontractors and suppliers must notify the lien agent to preserve their lien rights. For owner-occupied residential remodeling and repair projects, a lien agent is generally **not** required.

## 12. Additional North Carolina Requirements

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### 12.1 Contract Requirements (NCLBGC Recommendations)

The NCLBGC recommends that home improvement contracts include:

- The contractor's name, business address, phone number, and NCLBGC license number
- The full name and license number of the qualifying individual
- A detailed description of the work, including material specifications (color, quantity, size, model, brand)
- The contract price and a payment schedule tied to work milestones
- Retainage provision (percentage withheld until completion)
- The approximate start and completion dates
- A clause allowing withholding of payment if work slows without apparent reason
- A statement of permit responsibility (contractor obtains all permits)
- Proof of liability insurance and workers' compensation coverage

### 12.2 Licensing Threshold Notice

Under North Carolina General Statutes Chapter 87, any person or firm that constructs, superintends, or manages the construction of any building, highway, public utility, or other improvement where the cost of the undertaking is **\$40,000 or more** must hold a valid license issued by the North Carolina Licensing Board for General Contractors.

### 12.3 License Classifications

North Carolina general contractor licenses are issued in four classifications:

- **Building Contractor** — all building construction and demolition
- **Residential Contractor** — residential construction only
- **Highway Contractor** — highway construction
- **Public Utilities Contractor** — water and wastewater systems

Each license carries a limitation tier:

- **Limited** — projects up to \$500,000
- **Intermediate** — projects up to \$1,500,000
- **Unlimited** — no project value restriction

Verify that your contractor's classification and limitation match your project type and value.

## 13. General Provisions

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### 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 North Carolina.

### 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

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- Exhibit A: Plans and Drawings
- Exhibit B: Material Specifications
- Exhibit C: Notice of Three-Day Right to Cancel (if home solicitation sale)
- Exhibit D: Contractor's NCLBGC 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

Date

## HOMEOWNER (IF JOINTLY OWNED)

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Signature

Printed Name

Date

## CONTRACTOR

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Signature

Printed Name

Title

NCLBGC License #

Date

## North Carolina Pre-Signing Checklist

Before signing, confirm each item:

- Verified contractor's NCLBGC license is active at [nclbgc.org](http://nclbgc.org)
- License classification covers the project type (Building, Residential, etc.)
- License limitation is sufficient for the project value (Limited / Intermediate / Unlimited)
- Workers' compensation coverage confirmed (required if contractor has employees)
- General liability insurance confirmed
- Payment schedule tied to work milestones, not calendar dates
- Retainage percentage included in payment schedule
- Three-Day Right to Cancel notice provided (if contract 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
- Plans, specs, and material lists are attached or described in detail
- Contractor's business entity name matches the NCLBGC license record exactly

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