

HOME IMPROVEMENT CHANGE

PROPOSAL FROM: _____
(Contractor's Name)_____
(Contractor's Address)_____
(City, State and Zip)_____
(Telephone)**To:** _____
(Owner's Name)_____
(Owner Address)_____
(City, State and Zip)

You are entitled to a completely filled in copy of this Change Order signed by both you and the Contractor before any work may be started.

Project: _____
(Name)_____
(Address)_____
(City, State and Zip)**Description of the work and the Significant Materials to be Used and Equipment to be Installed as part of this Change Order:**

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. The Owner may not require the Contractor to perform extra work without written authorization. A change order is not enforceable against the Owner unless the Change Order identifies the following in writing: (a) the scope of work; (b) the amount to be added or subtracted from the contract; (c) the effect the change order may have on the progress payments or completion date. However, Contractor's failure to provide the foregoing information does not preclude Contractor recovery based on legal or equitable remedies designed to prevent unjust enrichment.

THE METHOD OF COMPUTING PAYMENT WILL BE:
(INITIAL ONE ONLY)

_____ **LUMP SUM: \$:** _____
(Total amount to be added to the contract price for the cost of the extra work)

_____ **COST PLUS PERCENTAGE:** In addition to all other amounts payable under the contract, we shall be paid the cost of the extra work (as defined on reverse) plus _____% overhead plus _____% profit.
(Percent for overhead) (Percent for profit)

_____ **COST PLUS FIXED FEE:** The price to be paid us for the extra work will be the cost of the extra work (as defined on reverse) plus a fixed fee of \$ _____.
(Amount of fixed fee)

_____ **IN ACCORDANCE WITH BASIC CONTRACT:** The price to be paid us for performing the extra work shall be determined in accordance with the provisions of our basic contract.

THIS DOCUMENT IS CONTINUED ON THE NEXT PAGE

THE TIME FOR PAYMENT WILL BE:
(INITIAL ONE ONLY)

_____ **UPON COMPLETION OF EXTRA WORK:** Payment will be made in full when the extra work has been satisfactorily completed.

_____ **PROGRESSIVELY:** Payments will be made as the work is done and will be made concurrently with payment dates under the basic contract payment schedule.

_____ **IN ACCORDANCE WITH BASIC CONTRACT:** The time of payment for the extra work shall be as provided for in the basic contract payment schedule, as modified below:

Schedule of Progress Payments: Work to be completed and materials supplied pursuant to this Change Order:

	Amount due:	When due:
	\$	
	\$	
	\$	
	\$	

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 DOWN PAYMENT.

Your signature below signifies your agreement.

Date: _____
(Date Proposal Signed)

Date: _____
(Date of Acceptance)

Firm Name: _____
(Contractor's Firm Name, If Any)

Firm Name: _____
(Owner's Name)

By: _____
(Signature of Contractor or Authorized Agent)

By: _____
(Signature of Owner or Authorized Agent)

NOTICE TO OWNER REGARDING MECHANICS' LIEN LAW AND CONTRACTORS LICENSE LAW

To: OWNER

From: CONTRACTOR

(Name)

(Street Address)

(City)

(Name)

(Street Address)

(City)

(Telephone)

Re: PROPOSED WORK OF IMPROVEMENT

(DESCRIPTION OF WORKS TO BE PERFORMED)

(LOCATION OF JOBSITE)

Under the California Mechanics' Lien Law, any contractor, subcontractor, laborer, supplier, or other person or entity who helps to improve your property, but is not paid for his or her work or supplies, has a right to place a lien on your home, land, or property where the work was performed and to sue you in court to obtain payment.

This means that after a court hearing, your home, land, and property could be sold by a court officer and the proceeds of the sale used to satisfy what you owe. This can happen if your contractor's subcontractors, laborers, or suppliers remain unpaid.

To preserve their rights to file a claim or lien against your property, certain claimants such as subcontractors or material suppliers are each required to provide you with a document called a "Preliminary Notice." Contractors and laborers who contract with owners directly do not have to provide such notice since you are aware of their existence as an owner. A preliminary notice is not a lien against your property. Its purpose is to notify you of persons or entities that may have a right to file a lien against your property if they are not paid. In order to perfect their lien rights, a contractor, subcontractor, supplier, or laborer must file a mechanics' lien with the county recorder which then becomes a recorded lien against your property. Generally, the maximum time allowed for filing a mechanics' lien against your property is 90 days after substantial completion of your project.

TO ENSURE EXTRA PROTECTION FOR YOURSELF AND YOUR PROPERTY, YOU MAY WISH TO TAKE ONE OR MORE OF THE FOLLOWING STEPS:

1. Require that your contractor supply you with a payment and performance bond (not a license bond), which provides that the bonding company will either complete the project or pay damages up to amount of the bond. This payment and performance bond as well as a copy of the construction contract should be filed with the county recorder for your further protection. The payment and performance bond will usually cost from 1 to 5 percent of the contract amount depending on the contractor's bonding ability. If a contractor cannot obtain such bonding, it may indicate his or her financial incapacity.
2. Require that payments be made directly to subcontractors and material suppliers through a joint control. Funding services may be available, for a fee, in your area which will establish voucher or other means of payment to your contractor. These services may also provide you with lien waivers and other forms of protection. Any joint control agreement should include the addendum approved by the registrar.
3. Issue joint checks for payment, made out to both your contractor and subcontractors or material suppliers involved in the project. The joint checks should be made payable to the persons or entities which send preliminary notices to you. Those persons or entities have indicated that they may have lien rights on your property, therefore you need to protect yourself. This will help to ensure that all persons due payment are actually paid.

4. Upon making payment on any completed phase of the project, and before making any further payments, require your contractor to provide you with unconditional "Waiver and Release" forms signed by each material supplier, subcontractor, and laborer involved in that portion of the work for which payment was made. The statutory lien releases are set forth in exact language in Section 3262 of the Civil Code. Most stationery stores will sell the "Waiver and Release" forms if your contractor does not have them. The material suppliers, subcontractors, and laborers that you obtain releases from are those persons or entities who have filed preliminary notices with you. If you are not certain of the material suppliers, subcontractors, and laborers working on your project, you may obtain a list from your contractor. On projects involving improvements to a single-family residence or a duplex owned by individuals, the persons signing these releases lose the right to file a mechanics' lien claim against your property. In other types of construction, this protection may still be important, but may not be as complete.

To protect yourself under this option, you must be certain that all material suppliers, subcontractors, and laborers have signed the "Waiver and Release" form. If a mechanics' lien has been filed against your property, it can only be voluntarily released by a recorded "Release of Mechanics' Lien" signed by the person or entity that filed the mechanics' lien against your property unless the lawsuit to enforce the lien was not timely filed. You should not make any final payments until any and all such liens are removed. You should consult an attorney if a lien is filed against your property.

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. Our 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 or her 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.

Contractors are required by law to be licensed and regulated by the Contractors State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors State License Board, P.O. Box 26000, Sacramento, California 95826.

I acknowledge receipt of a copy of this notice on _____
(Date)

(Signature)

PRELIMINARY NOTICE

(This form may be used on both public and private projects)

TO: **CONSTRUCTION LENDER** (Or Reputed Construction Lender)(if any)

Name _____
 Street _____
 City, State, Zip _____

TO: **OWNER** (Or Reputed Owner)
 (On Private Work)

PUBLIC AGENCY
 (On Public Work)

Name _____
 Street _____
 City, State, Zip _____

TO: **ORIGINAL CONTRACTOR** (Or Reputed Original Contractor)

Name _____
 Street _____
 City, State, Zip _____

General description of the labor, service, equipment, or materials ("Work") furnished, or to be furnished:

Estimated total value of Work provided and to be provided \$ _____

NAME AND ADDRESS OF CLAIMANT GIVING THIS NOTICE

Name _____
 Street _____
 City, State, Zip _____

NAME OF PERSON OR FIRM THAT CONTRACTED FOR THE WORK

Name _____

DESCRIPTION OF PROJECT SITE SUFFICIENT FOR IDENTIFICATION, INCLUDING STREET ADDRESS, IF ANY

PROOF OF SERVICE VERIFICATION

On _____, I served copies of this Preliminary Notice on the persons identified above, at the addresses set forth above, in accordance with the provisions of Civil Code § 8106. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____, at _____
 (Date this Document was Signed) (City and State Where Notice Signed)

 (Signature)

This Preliminary Notice must be served in the manner prescribed by Civil Code § 8106 at the addresses set forth in § 8108 (see reverse). If you have a contract directly with the Owner or reputed Owner, you are only required to give this Preliminary Notice to the Construction Lender or reputed Construction Lender (if any). Civil Code § 8200(a)(2).

NOTICE TO PROPERTY OWNER

EVEN THOUGH YOU HAVE PAID YOUR CONTRACTOR IN FULL, if the person or firm that has given you this notice is not paid in full for labor, service, equipment, or material provided or to be provided to your construction project, a lien may be placed on your property. Foreclosure of the lien may lead to loss of all or part of your property. You may wish to protect yourself against this by (1) requiring your contractor to provide a signed release by the person or firm that has given you this notice before making payment to your contractor, or (2) any other method that is appropriate under the circumstances.

This notice is required by law to be served by the undersigned as a statement of your legal rights. This notice is not intended to reflect upon the financial condition of the contractor or the person employed by you on the construction project.

If you record a notice of cessation or completion of your construction project, you must within 10 days after recording, send a copy of the notice of completion to your contractor and the person or firm that has given you this notice. The notice must be sent by registered or certified mail. Failure to send the notice will extend the deadline to record a claim of lien. You are not required to send the notice if you are a residential homeowner of a dwelling containing four or fewer units.

NOTICE REGARDING LABOR AGREEMENTS

Note: If this Preliminary Notice is given by a subcontractor that has not paid all compensation due to a laborer, the notice shall include the name and address of the laborer and any person or entity described in subdivision (b) of Section 8024 to which payments are due. "Laborer" includes a person or entity to which a portion of a laborer's compensation for a work of improvement, including, but not limited to, employer payments described in Section 1773.1 of the Labor Code and implementing regulations, is paid by agreement with that laborer or the collective bargaining agent of that laborer.

Name _____
 Address _____
 Name _____
 Address _____

NOTICE INSTRUCTIONS

Civil Code § 8106

Except as otherwise provided by statute, notice under this part shall be given by any of the following means:

(a) Personal delivery.

(b) Mail in the manner provided in Section 8110.

(c) Leaving the notice and mailing a copy in the manner provided in Section 415.20 of the Code of Civil Procedure for service of summons and complaint in a civil action.

Civil Code § 8108

Except as otherwise provided by this part, notice under this part shall be given to the person to be notified at the person's residence, the person's place of business, or at any of the following addresses:

(a) If the person to be notified is an owner other than a public entity, the owner's address shown on the direct contract, the building permit, or a construction trust deed.

(b) If the person to be notified is a public entity, the office of the public entity or another address specified by the public entity in the contract or elsewhere for service of notices, papers, and other documents.

(c) If the person to be notified is a construction lender, the construction lender's address shown on the construction loan agreement or construction trust deed.

(d) If the person to be notified is a direct contractor or a subcontractor, the contractor's address shown on the building permit, on the contractor's contract, or on the records of the Contractors' State License Board.

(e) If the person to be notified is a claimant, the claimant's address shown on the claimant's contract, preliminary notice, claim of lien, stop payment notice, or claim against a payment bond, or on the records of the Contractors' State License Board.

(f) If the person to be notified is a surety on a bond, the surety's address shown on the bond for service of notices, papers, and other documents, or on the records of the Department of Insurance.

Civil Code § 8110

Except as otherwise provided by this part, notice by mail under this part shall be given by registered or certified mail, express mail, or overnight delivery by an express service carrier.

NO.

ACKNOWLEDGEMENT OF RECEIPT OF PRELIMINARY NOTICE

(Section 8118, California Civil Code)

Upon receipt of this notice, please sign this Acknowledgement and return same to sender.

LENDER

This acknowledges receipt on _____ of a copy of this preliminary
(date)

notice at _____
(address where notice received)

Date: _____
(date this acknowledgement is executed)

(signature of person acknowledging receipt, with title if acknowledgement is made on behalf of another person)

(address or description of job site)

NO.

ACKNOWLEDGEMENT OF RECEIPT OF PRELIMINARY NOTICE

(Section 8118, California Civil Code)

Upon receipt of this notice, please sign this Acknowledgement and return same to sender.

OWNER

This acknowledges receipt on _____ of a copy of this preliminary
(date)

notice at _____
(address where notice received)

Date: _____
(date this acknowledgement is executed)

(signature of person acknowledging receipt, with title if acknowledgement is made on behalf of another person)

(address or description of job site)

NO.

ACKNOWLEDGEMENT OF RECEIPT OF PRELIMINARY NOTICE

(Section 8118, California Civil Code)

Upon receipt of this notice, please sign this Acknowledgement and return same to sender.

CONTRACTOR

This acknowledges receipt on _____ of a copy of this preliminary
(date)

notice at _____
(address where notice received)

Date: _____
(date this acknowledgement is executed)

(signature of person acknowledging receipt, with title if acknowledgement is made on behalf of another person)

(address or description of job site)

IMPORTANT!

1. Detach these three postcard receipt forms.
2. Type in or rubber stamp your return address on the front side of each card
3. Optional: affix return postage stamp on each card if you wish to encourage mail return
4. Attach card (staple or clip) to each of three copies (lenders's; owner's and original contractor's copy). Be sure that card matches form...i.e., lender's card goes with lender's form.

To Re-Order Form 105-C

**Send prepaid order to:
BNi Building News
990 Park Center Dr., Ste. E
Vista, California 92081**

**or call:
1-888-264-2665**

**or fax:
1-760-734-1540**

**or visit our website
www.bnibooks.com**

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Attach
Stamp
Here

POST CARD

To Re-Order Form 105-C

Send prepaid order to:
BNI Building News
990 Park Center Dr., Ste. E
Vista, California 92081

or call:
1-888-264-2665

or fax:
1-760-734-1540

or visit our website
www.bnibooks.com

Attach
Stamp
Here

POST CARD

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POST CARD