



**MIGHTY MIKE PLUMBING, INC.**  
**PLUMBING GENERAL CONTRACTOR SERVICES PROPOSAL**

**PROPOSAL:** \_\_\_\_\_

Proposal No./Date: \_\_\_\_\_

Address of Property where Services are to be Performed:  
\_\_\_\_\_

Name of Person on Whose Behalf Services are Being Performed under this Prime Contract (hereinafter "Owner"):  
\_\_\_\_\_

Address of Owner (if different from above Property Address):  
\_\_\_\_\_

Brief Description of Services to be Performed:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name of Architect or Engineer who prepared the General Plans and Specifications:  
\_\_\_\_\_

Fee for Services: \_\_\_\_\_

This Proposal shall remain open for a period of 3 business days. If this Proposal is not accepted within the 3 business day time period, this Proposal shall be deemed withdrawn and void at Plumbing General Contractor's ("Contractor") option.

If this Proposal is accepted and executed by Owner, it shall remain open for a period of 90 days. If Contractor has not commenced providing its services under this Proposal and the Plumbing General Contractor Services Agreement (hereinafter the "Agreement") within 90 days of the execution of this Proposal by Owner, the payment terms and amounts are subject to change in accordance with market conditions. Contractor also reserves the right to withdraw from this Proposal and the Agreement to no detriment to Contractor if Contractor has not commenced providing services within 90 days.

Upon executing this Proposal, Owner further agrees to be bound by the terms and conditions detailed in the Agreement, which is incorporated herein by reference. Owner agrees to execute the Agreement to confirm the contractual relationship of the parties.

Respectfully Submitted,

\_\_\_\_\_  
Michael Varela – Project Manager  
Mighty Mike Plumbing, Inc.



**Acceptance of Proposal**

The terms listed in this Proposal and in the Agreement are satisfactory and are hereby accepted by Owner.

Contractor is authorized to provide services and receive payments as outlined herein and in the Agreement.

Owner: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

**MIGHTY MIKE PLUMBING, INC.**  
**PLUMBING GENERAL CONTRACTOR SERVICES AGREEMENT**

This Plumbing General Contractor Services Agreement (hereinafter the “Agreement”) is by and between Mighty Mike Plumbing, Inc. (License No. 899885) (hereinafter “Contractor”), located at 1520 North Maple Street, Burbank, California 91505, and [OWNER’S NAME](hereinafter “Owner”), located at [ADDRESS], for services to be performed at [ADDRESS OF PROJECT] (hereinafter the “Property”). Contractor and Owner are hereinafter collectively referred to as the Parties.

With respect to the services that Contractor agrees to provide and the compensation that Owner agrees to pay, the Parties hereby agree as follows:

**DESCRIPTION OF SERVICES**

Contractor agrees to provide the following services (hereinafter the “Services”):

1. xxx [SPECIFIC DESCRIPTION OF SERVICES];
2. xxx [SPECIFIC DESCRIPTION OF SERVICES];
3. xxx [SPECIFIC DESCRIPTION OF SERVICES]; and
4. xxx [SPECIFIC DESCRIPTION OF SERVICES].

Contractor is to furnish all necessary labor, materials, tools, and equipment, and all other incidentals necessary for the completion of the Services provided herein.

In providing the above Services, Contractor cannot guarantee the following:

1. xxx [SPECIFIC DESCRIPTION OF ITEM NOT GUARANTEED];
2. xxx [SPECIFIC DESCRIPTION OF ITEM NOT GUARANTEED];
3. xxx [SPECIFIC DESCRIPTION OF ITEM NOT GUARANTEED]; and
4. xxx [SPECIFIC DESCRIPTION OF ITEM NOT GUARANTEED].



Owner agrees to: (1) Inform Contractor of any changes to his/her schedule which would affect the Services to be provided by Contractor; and (2) act promptly when samples, submittals, approvals, requests, or other information are required by the Contractor.

### **COMPENSATION FOR SERVICES**

In exchange for the above Services, Owner agrees to pay Contractor \$\_\_\_\_\_.

Payment for said Services shall be made according to the following schedule:

1. \$\_\_\_\_\_ or \_\_\_\_\_% of original contract – upon stocking and delivery of material to the Property (Owner agrees that this payment is not a “down payment.” Rather, it is a payment for services rendered provided in accordance with the Parties’ written Agreement);
2. \$\_\_\_\_\_ or \_\_\_\_\_% of original contract – upon completion of at least 50% of the above-stated Services;
3. \$\_\_\_\_\_ or \_\_\_\_\_% of original contract – upon completion of at least 75% of the above-stated Services; and
4. \$\_\_\_\_\_ or \_\_\_\_\_% of original contract – upon completion of work.

**All invoices must be paid within 5 days of receipt of an invoice from Subcontractor.** Any unpaid amounts shall accrue interest at a rate of 2% per month, or the maximum rate permitted by California Law, whichever is higher. Interest shall continue to accrue until the balance is paid in full.

If Owner seeks to maintain a limited balance on its account for a period longer than permitted above or until completion of Contractor’s services at the Property, Owner will make such a request in writing to Contractor upon immediate receipt of an invoice from Contractor. At no time will Owner be permitted to maintain a balance larger than \_\_\_\_\_% of Contractor’s total fee or \$\_\_\_\_\_, whichever is lower. Contractor may, in its sole discretion, agree to accept or deny any such request by Owner.

All payments shall be made in accordance with the above payment schedule irrespective of Owner’s receipt of payments or funding from a bank or any other financial source. If any payment is not received within 5 days of Owner’s receipt of an invoice from Contractor, Contractor may stop all work until payment is made in full in accordance with the above schedule. In the event that Contractor is required to seek legal action to recover monies owed to Contractor for services performed on the Property, Contractor shall be entitled to recover from Owner its attorneys’ fees and costs incurred for any such action(s).

**[Note:** If Owner delays completion of services by indecision, failure to authorize release of any payment, or for any other reason not due to the fault of Contractor, Owner will be responsible for all additional costs incurred by Contractor as a result of such delay. Such costs will include, but are not limited to, (1) extra labor and materials and (2) the down time of workers and equipment or, in the alternative, the cost of moving equipment to other job sites.]



## **OWNER'S AGREEMENT**

Owner agrees that he or she is the sole owner of the Property, and that the Property is free and clear of all liens and encumbrances with the exception of construction mortgages and/or permanent mortgages in favor of financial institutions. Owner agrees that the Property abuts a public street or is accessible by way of a permanent right of way as means of uninterrupted access to and from the Property to enable Contractor to perform this Agreement. Any work that Owner is to do will be coordinated with the work that Contractor is to do so as not to delay Contractor in the performance of its work. Owner represents and warrants that he/she has obtained construction financing in an amount sufficient to make all payments required by this Agreement.

*[IF LOAN HAS NOT BEEN OBTAINED, add the following: This Agreement is conditioned upon Owner obtaining a commitment for a mortgage loan or home equity line of credit from a lending institution in an amount sufficient to make all payments required by this Agreement within 60 days of the date of this Agreement, and upon Owner closing upon such loan within 60 days after the date of such commitment. If Owner is unable to obtain a commitment for or close on such construction mortgage loan within the time periods herein specified, Contractor will return to Owner all monies paid by Owner to Contractor prior to such time except for any fees, costs and out-of-pocket expenses borne by Contractor prior to such time, and neither party will have any further obligation or liability to the other under this Agreement.]*

## **PERMITS AND LIENS**

Owner is responsible for obtaining all necessary permits and for the cost thereof. By executing this Agreement, Owner designates Contractor or Contractor's agent as Owner's agent to obtain all necessary permits and licenses from governmental authorities. Contractor will use its best efforts to obtain a release of mechanics liens from each and every subcontractor and materialman rendering labor and/or materials for each task to be completed, provided that if the Owner shall make the payments set forth above in timely fashion, the Contractor shall indemnify and hold the Owner harmless from any lien or claim of the Contractor or any subcontractor or materialman arising from work performed on, or material supplied to, the Project.

## **COMMENCEMENT OF SERVICES**

Subject to the language provided in the Proposal above, Contractor shall commence performing Services under this Agreement on or about [DATE].

## **SUBSTANTIAL COMPLETION OF SERVICES**

Barring any written changes to the date upon which Services commence, work performed under this Agreement shall be substantially complete by [DATE]. In the event that the date upon which Services commence does change, the Substantial Completion date stated above shall also change, and Services shall be substantially completed by a reasonable date following the commencement of Services.

## **EXTRA WORK, CHANGES, DELETION**

Owner shall make no changes to the Services to be provided in this Agreement. Additional Services will require Contractor to issue a Change Order. In the event that Contractor is required to provide additional Services resulting from Owner's delay or delay caused by another trade (e.g. marble, electrical, etc.), Contractor will issue a Change Order. If Contractor's Change Order is not signed or agreed upon by both Parties, Contractor reserves the right to charge \$120.00 per hour for each additional hour of Contractor's labor, or Contractor's employees' labor, expended due to changes in the scope of the Services. All materials procured for additional Services shall be subject to an additional 10% overhead



charge. Payment due under any Change Order, or as a result of any changes made to the scope of the Services that are not subject to a Change Order, must be made within 3 days of the receipt of an invoice pertaining to same from Contractor. Contractor may stop all work until payment is made in full in accordance with this provision.

### **CHANGE ORDER**

Contractor shall give written notice of the necessity of additional Services to be rendered in the form of a Change Order no later than 3 days after the occurrence of the event giving rise to the claim. The Change Order shall state the additional compensation required for completion of additional Services and provide Owner 3 days to respond. If Owner fails to contact or communicate with Contractor within 3 days of receipt of the Change Order, Contractor reserves the right to move forward with additional Services at a rate of \$120.00 per hour for each employee of Contractor. All material procured for additional Services shall be subject to a 3-7% overhead charge, subject to the Contractor's discretion based upon the scope of the services to be rendered. Contractor shall keep records of all employees and materials used for the Change Order.

### **SECOND TRIP**

Contractor has 3 main stages of work: (1) Rough In, (2) Setting & Finish, and (3) Rough Out & Final Finish. Contractor shall finish the process of performing each stage at the Property before moving to the next stage. Because each stage requires Contractor to utilize a different set of employees, skipping a single stage in any portion of the Project will cause significant changes in Contractor's work schedule. A Second Trip caused by Owner's request for Contractor to skip a stage, will require Owner to pay an additional fee. Contractor or Contractor's project manager will determine the amount of the Second Trip fee and will provide written notice of the additional fee to Owner within 3 days of Owner's request to skip a stage. If both Parties do not agree upon Contractor's Second Trip fee, Contractor reserves the right to charge \$120.00 per hour for each employee of Contractor hired for the Second Trip. All material procured for additional Services shall be subject to a 3-7% overhead charge, subject to the Contractor's discretion based upon the scope of the services to be rendered. Contractor shall keep records of all employees and materials used on Second Trip.

Contractor will not issue any credits towards Second Trip services.

### **PROGRESS OF WORK; DELAY**

Contractor shall perform Services in this Agreement in a timely manner as required by Owner and shall diligently work until completion of its Services.

Contractor shall coordinate its work with Owner to prevent interference with other work on the Project, if any. If Contractor contends that an act of the Owner, or any other job condition caused a delay in the completion of its Services, then Contractor shall be entitled to an extension of time and/or to assert any valid claims for said delay or disruption.

### **RIGHT TO STOP WORK**

Contractor shall have the right to stop work if any payment, including any payment for extra work, is not made to Contractor in accordance with this Agreement. In the event of such nonpayment, Contractor shall keep Services idle until all payments are received.



### **DIFFERING SITE CONDITIONS.**

Owner shall promptly give notice to Contractor upon encountering unforeseeable conditions adversely affecting the Services to be provided hereunder. Contractor shall investigate the site conditions promptly after receiving such notice from Owner. If the site conditions cause an increase in cost to Contractor or in the time required for Contractor to perform any part of its Services, Owner agrees to pay Contractor for such increased cost to Contractor. Contractor will attempt to make any necessary adjustments in order to complete its Services within a reasonable period of time following its discovery of such site conditions. However, if the site conditions render it impossible or improbable for Contractor to be able to perform its Services within a reasonable period of time, Contractor reserves the right to withdraw from this Agreement with no detriment to Contractor.

### **INFORMATION/DOCUMENTATION SUPPLIED TO CONTRACTOR**

California Civil Code § 8170(a) states, "A written direct contract shall provide a space for the owner to enter the following information: (1) The owner's name, address, and place of business, if any. (2) The name and address of the construction lender, if any. This paragraph does not apply to a home improvement contract or swimming pool contract subject to Article 10 (commencing with Section 7150) of Chapter 9 or Division 3 of the Business and Professions Code." In keeping with this provision, Owner agrees to supply the above information to Contractor.

In addition, Owner shall furnish to Contractor, at no cost, the following:

One set of relevant plans, specifications, and drawings on paper or in electronic form (at the option of Contractor). Contractor is granted a limited license to use and reproduce applicable portions of said plans, specifications, and drawings as required for the Services to be performed under this Agreement.

### **QUALITY OF WORK AND MATERIALS**

Contractor will provide the Services set forth in this Agreement and the Plans and Specifications in a good and workmanlike manner and in accordance with the rules and regulations of any local government and of any public service corporation or utility supplying, or which will in the future supply, services on and to the Property. Contractor, at its own cost and expense, will provide all manner of materials, labor and equipment of every description for the due performance of all the Services described in this Agreement. Contractor is authorized to substitute a better grade or quality of material or to substitute products of equal grade or quality instead of those specified, provided they are recognized in the plumbing industry as equal or better than those specified, but no material or products that will materially and adversely affect the appearance or utility value of the Property or its components will be substituted by Contractor without Owner's prior written approval.

### **INSPECTION**

Contractor shall make its work accessible at all reasonable times for inspection by the Owner.

### **DEBRIS REMOVAL**

Contractor agrees to remove from the Property, at Contractor's expense, any trash or debris caused by or left on the Property as a result of the performance of its Services. Contractor shall place all trash and debris in an on-site trash disposal facility or container provided by Owner. Said facility or container shall be provided at no cost to the Contractor.



## **DEFAULT CONTRACTOR**

If Contractor fails to complete the work as agreed herein, Owner may declare Contractor in breach by providing written notice of such alleged breach to Contractor by certified mail with return receipt. Contractor shall have fifteen (15) days from the date of receipt of such notice of breach to attempt to cure/remedy any alleged breach. If Contractor fails to commence work on the Property in order to cure/remedy the breach within fifteen (15) days of receipt of such notice, Owner shall have the right to select a default general contractor by providing a 3-day written notice to Contractor of same, also by certified mail with return receipt. If Contractor fails to commence work on the Property within 3 days of Contractor's receipt of such 3-day notice, Contractor's contract shall be deemed terminated. However, Owner shall remain liable to Contractor for all amounts owed under this Agreement up to the date of termination of Contractor.

## **ADDITIONAL TERMS**

### **Termination of Agreement.**

Should Owner make any material breach of this Agreement, Contractor may terminate this Agreement upon sending notice to Owner, at the address provided in this Agreement or otherwise provided by Owner, by registered or certified mail, return receipt requested. Upon sending such notice, Contractor will have no further obligations under this Agreement and may terminate construction. Contractor may retain any monies it has received and, if the percentage of construction completed at the time such notice is given has not been paid for in full, Contractor will be entitled to receive such unpaid amount from Owner together with the agreed-on price of all unpaid extra work performed by Contractor. In addition to the foregoing, Contractor will be entitled to \_\_\_\_\_ percent of the amount paid by Owner to Contractor to date (including any unpaid amounts described in this paragraph) together with Contractor's collection costs and reasonable attorneys' fees and expenses, if any, as liquidated damages and not as a penalty.

### **Indemnification.**

The Owner shall indemnify and hold harmless Contractor, and its officers, agents, subcontractors, and licensees against any and all claims, losses, damages, liabilities, and expenses, including reasonable attorneys' fees and costs, arising out of or occasioned by the negligence, recklessness, or willful conduct of itself or any other subcontractors in connection with the Project, including claims, losses, damages, liabilities, and expenses incurred in connection with the Owner's failure to make payment to Contractor or any others hired or contracted with for the Project.

Contractor shall indemnify and hold harmless Owner against any and all claims, losses, damages, liabilities, and expenses, including reasonable attorneys' fees and costs, arising out of or occasioned by the negligence, recklessness, or willful conduct of Contractor and its officers, agents, subcontractors, and licensees in connection with the Project, including claims, losses, damages, liabilities, and expenses incurred in connection with Contractor's failure to make payment to any of its officers, agents, subcontractors, and licensees hired or contracted with for the Project.

In addition, the Owner agrees that if any of the subcontractors hired or contracted with for the Project cause any damage or loss to the Project, such other subcontractor is solely liable for any claims, losses, damages, liabilities, and expenses, including reasonable attorneys' fees and costs, resulting from any such occurrences. Contractor shall bear no responsibility or liability for any and all subcontractors hired or contracted with by the Owner for the Project.





### **Project Site Safety.**

Contractor will at all times take reasonable precautions for the safety of employees and the public at the Project Site and will comply with all applicable safety laws and regulations of federal, state, and local authorities (including building codes) and safety requirements of the Owner.

### **Limitation of Liability.**

In the event that Contractor is held liable for any acts undertaken in connection with this Agreement, Contractor's liability shall be limited to the compensation that it receives as outlined under the "Compensation for Services" section herein.

### **Insurance.**

Contractor shall maintain its own Workers' Compensation insurance, Commercial General Liability insurance, and Automobile Liability insurance for this Project.

Within 14 days of execution of this Agreement, Owner will confirm that he/she has secured Builder's Risk insurance (excluding the hazards of earthquake and flood) to cover loss or damage to Contractor's work.

Owner will at all times maintain fire and extended coverage insurance on the worksite in an amount no less than the full insurable value thereof.

### **Performance.**

Contractor shall not be held liable for any obligation of performance, injury, damage, delay, expense, accident, inconvenience, or irregularity that results directly or indirectly from acts that are out of Contractor's reasonable control. Such acts include, but are not limited to, accidents, fire, rioting, war, civil disturbance, strikes, labor disputes, force majeure, and/or acts of God.

### **Modifications.**

Any modification(s) to this Agreement must be made in writing, must be signed by both Parties to this Agreement, and shall be attached to this Agreement as an Appendix. Owner agrees that any modifications to this Agreement may result in an increase in Contractor's compensation as agreed-upon by both Parties.

### **Release.**

To the fullest extent permitted by law, Owner and/or Owner's representatives, shall defend, indemnify and hold harmless Contractor (entities and persons) from any and all liabilities, loss, demand, claim or action at law or in equity including but not limited to attorney's fees, disbursements and court costs, and all other professional, expert or consultants' fees, repair or replacements costs, and costs arising out of or resulting from, or relate to the scope of work Contractor have been hired to perform.

### **Preliminary Information.**

California Civil Code 3097, section (m) requires that every contract between an original contractor and a property owner, except home improvement contracts and swimming pool contracts, shall provide space for the owner to enter the name and address of the construction lender or lenders. Contractor reserves its right to receive the foregoing information regarding this Project.





**Representation.**

No representations not expressly contained in this Agreement have been made by either Party, and this Agreement has not been entered on the basis of any such representation, express or implied.

**Governing Law.**

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the state of California, without regard to conflict of law provisions. For the purpose of jurisdiction and venue, the Parties hereby acknowledge that this Agreement is being executed in Burbank, California.

**Arbitration.**

Any dispute arising out of construction of this Project referred to in this Agreement or regarding interpretation or performance of this Agreement is subject to arbitration in accordance with the 2010 California Uniform Plumbing Code codified under the California Building Standards Code. Owner and Contractor are each bound by this arbitration clause. The arbitrator shall be entitled to award an amount to compensate the prevailing party for its time, expense and trouble of arbitration, including attorney's fees and costs.

**Waiver.**

No breach of any provision hereof can be waived unless waived in writing. Waiver of any one breach shall not be deemed to be a waiver of any other breach of the same or any other provision herein.

**Counterparts.**

This Agreement may be executed in counterparts and each counterpart will become effective and binding on the execution date of this Agreement.

**Severability.**

If any term, provision, or condition contained in this Agreement shall, to any extent, be ruled invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement (or the application of such term, provision, or condition to persons or circumstances other than those in respect of which it is invalid or unenforceable), shall not be affected thereby, and each and every other term, provision, and condition of this Agreement shall be enforceable to the fullest extent permitted by law.

**Entire Agreement.**

This Agreement constitutes the entire agreement among the Parties and fully supersedes any and all prior understandings, representations, warranties, and agreements, whether consistent or inconsistent with the terms hereof.

**Right to Cancel.**

NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THIS AGREEMENT, YOU, THE OWNER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF [date], WHICH IS [number of days] BUSINESS DAYS AFTER THE DATE OF THIS AGREEMENT. SEE THE ATTACHED NOTICE OF CANCELLATION FOR AN EXPLANATION OF THIS RIGHT.



**Contractors State License Board (“CSLB”).**

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 Licensing Board, P.O. Box 26000, Sacramento, California, 95826.

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. YOUR 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.

**The Parties hereto intend this Agreement to be effective as of the execution date of this Agreement.**

*Accepted by:*

Contractor (Title)	Contractor Signature	Date
Owner	Owner Signature	Date



### MECHANICS LIEN WARNING

ANYONE WHO HELPS IMPROVE YOUR PROPERTY, BUT WHO IS NOT PAID, MAY RECORD WHAT IS CALLED A MECHANICS LIEN ON YOUR PROPERTY. A MECHANICS LIEN IS A CLAIM, LIKE A MORTGAGE OR HOME EQUITY LOAN, MADE AGAINST YOUR PROPERTY AND RECORDED WITH THE COUNTY RECORDER.

EVEN IF YOU PAY YOUR GENERAL CONTRACTOR IN FULL, UNPAID SUBCONTRACTORS, SUPPLIERS, AND LABORERS WHO HELPED TO IMPROVE YOUR PROPERTY MAY RECORD MECHANICS LIENS AND SUE YOU IN COURT TO FORECLOSE ON THE LIEN. IF A COURT FINDS THAT THE LIEN IS VALID, YOU COULD BE FORCED TO PAY TWICE OR HAVE A COURT OFFICER SELL YOUR HOME TO PAY THE LIEN. LIENS CAN ALSO AFFECT YOUR CREDIT.

TO PRESERVE THEIR RIGHT TO RECORD A LIEN, EACH SUBCONTRACTOR AND MATERIAL SUPPLIER MUST PROVIDE YOU WITH A DOCUMENT CALLED A "PRELIMINARY NOTICE." THIS NOTICE IS NOT A LIEN. THE PURPOSE OF THE NOTICE IS TO LET YOU KNOW THAT THE PERSON WHO SENDS YOU THE NOTICE HAS THE RIGHT TO RECORD A LIEN ON YOUR PROPERTY IF HE OR SHE IS NOT PAID.

BE CAREFUL. THE PRELIMINARY NOTICE CAN BE SENT UP TO 20 DAYS AFTER THE SUBCONTRACTOR STARTS WORK OR THE SUPPLIER PROVIDES MATERIAL. THIS CAN BE A BIG PROBLEM IF YOU PAY YOUR CONTRACTOR BEFORE YOU HAVE RECEIVED THE PRELIMINARY NOTICES.

YOU WILL NOT GET PRELIMINARY NOTICES FROM YOUR PRIME/GENERAL CONTRACTOR OR FROM LABORERS WHO WORK ON YOUR PROJECT. THE LAW ASSUMES THAT YOU ALREADY KNOW THEY ARE IMPROVING YOUR PROPERTY. PROTECT YOURSELF FROM LIENS. YOU CAN PROTECT YOURSELF FROM LIENS BY GETTING A LIST FROM YOUR CONTRACTOR OF ALL THE SUBCONTRACTORS AND MATERIAL SUPPLIERS THAT WORK ON YOUR PROJECT. FIND OUT FROM YOUR CONTRACTOR WHEN THESE SUBCONTRACTORS STARTED WORK AND WHEN THESE SUPPLIERS DELIVERED GOODS OR MATERIALS. THEN WAIT 20 DAYS, PAYING ATTENTION TO THE PRELIMINARY NOTICES YOU RECEIVE.

PAY WITH JOINT CHECKS. ONE WAY TO PROTECT YOURSELF IS TO PAY WITH A JOINT CHECK. WHEN YOUR GENERAL CONTRACTOR TELLS YOU IT IS TIME TO PAY FOR THE WORK OF A SUBCONTRACTOR OR SUPPLIER WHO HAS PROVIDED YOU WITH A PRELIMINARY NOTICE, WRITE A JOINT CHECK PAYABLE TO BOTH THE CONTRACTOR AND THE SUBCONTRACTOR OR MATERIAL SUPPLIER.

FOR OTHER WAYS TO PREVENT LIENS, VISIT THE CALIFORNIA STATE LICENSING BOARD'S INTERNET WEBSITE AT [WWW.CSLB.CA.GOV](http://WWW.CSLB.CA.GOV) OR CALL THE CSLB AT (800) 321-CSLB (2752).

REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON YOUR HOME. THIS CAN MEAN THAT YOU MAY HAVE TO PAY TWICE, OR FACE THE FORCED SALE OF YOUR HOME TO PAY WHAT YOU OWE.



**Acceptance of Mechanics Lien Warning**

Owner understands the terms listed noted in this Mechanics Lien Warning and hereby acknowledges receipt of this Warning from the Contractor.

Owner: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

**NOTICE OF CANCELLATION**

To:  
*[Name and address of Owner]*

Re: Plumbing General Contractor Services Agreement Dated:  
*[Date of contract]*

YOU MAY CANCEL THIS AGREEMENT WITHOUT ANY PENALTY OR OBLIGATION BY MIDNIGHT ON *[date]*, WHICH IS *[number of days]* BUSINESS DAYS FROM THE ABOVE DATE.

YOU ARE NOT RESPONSIBLE FOR ANY WORK CONTRACTOR PERFORMS WITHIN THIS *[number of days]* DAY CANCELLATION PERIOD. YOU DO NOT HAVE TO PAY CONTRACTOR FOR THIS WORK AND CAN DEMAND THAT CONTRACTOR RESTORE THE PROPERTY TO ITS ORIGINAL CONDITION.

IF YOU CANCEL, ANY PROPERTY TRADED IN, ANY PAYMENTS MADE BY YOU UNDER THIS AGREEMENT, AND ANY NEGOTIABLE INSTRUMENT EXECUTED BY YOU, WILL BE RETURNED WITHIN *[number of days]* BUSINESS DAYS FOLLOWING RECEIPT BY THE CONTRACTOR OF YOUR CANCELLATION NOTICE, AND ANY SECURITY INTEREST OUT OF THE TRANSACTION WILL BE CANCELED.

IF YOU CANCEL, YOU MUST MAKE AVAILABLE TO THE CONTRACTOR AT YOUR RESIDENCE, IN SUBSTANTIALLY AS GOOD CONDITION AS WHEN RECEIVED, ANY GOODS DELIVERED TO YOU UNDER THIS AGREEMENT; OR YOU MAY, IF YOU WISH, COMPLY WITH THE INSTRUCTIONS OF THE CONTRACTOR REGARDING THE RETURN SHIPMENT OF THE GOODS AT THE CONTRACTOR'S EXPENSE AND RISK.

IF YOU DO MAKE THE GOODS AVAILABLE TO THE CONTRACTOR AND THE CONTRACTOR DOES NOT PICK THEM UP WITHIN TWENTY DAYS OF THE DATE OF THE CANCELLATION, YOU MAY RETURN OR DISPOSE OF THE GOODS WITHOUT ANY FURTHER OBLIGATION. IF YOU FAIL TO MAKE THE GOODS AVAILABLE TO THE CONTRACTOR, OR IF YOU AGREE TO RETURN THE GOODS TO THE CONTRACTOR AND FAIL TO DO SO, THEN YOU REMAIN LIABLE FOR PERFORMANCE OF ALL OBLIGATIONS UNDER THIS AGREEMENT.

\_\_\_\_\_  
*[Signature of Contractor]*  
\_\_\_\_\_  
*[Printed Name and Title of Contractor]*  
\_\_\_\_\_  
*[Date]*