



## Building a Solid Foundation for Your Contracting Business

Legal Document  
Preparation & Business  
Support Services

### THE CONSTRUCTION INDUSTRY EXPERTS

RESIDENTIAL & COMMERCIAL  
PUBLIC & PRIVATE WORKS  
PRIME & SUBCONTRACTORS

Construction Contracts  
Mechanic's Liens  
Preliminary Notices  
Stop Notices  
Bond Claims  
Miller Act  
Lien Foreclosure  
CSLB Issues  
Incorporations  
Corporate Compliance  
Civil Litigation  
Small Claims  
Judgment Enforcement

# Service & Repair Contracts

Please note the following regarding the performance of Service and Repair contracts:

- The contract must be in writing and state the agreed contract amount (as either a fixed contract amount or, if a time and materials formula is used, as an estimated contract amount in dollars and cents).
- The prospective buyer must have initiated contact with the contractor to request work.
- A repairperson employed by a licensed contractor may enter into a Service and Repair Contract on behalf of the contractor.
- The contractor may not sell the buyer goods or services beyond those reasonably necessary to take care of the particular problem that caused the buyer to contact the contractor.
- No payment may be due before the project is completed.
- Unless otherwise specified, printed text in a Service and Repair Contract must be at least 10-point type, and headings must be in at least 10-point bold type.
- Give a fully-executed copy of the contract to the homeowner before starting work. The customer's receipt of the signed agreement initiates his right to cancel (see below).
- Include the contractor's name, address and license number.
- Include the heading "Service and Repair."
- Include a statement that, upon satisfactory payment being made for any portion of the work, the contractor shall furnish the customer with a full and unconditional release from any mechanic's lien claim.
- Include the statement: "The law requires that the contractor offer you any parts that were replaced during the service call. If you do not want the parts, initial the checkbox labeled 'OK for contractor to take replaced parts,'" followed by the checkbox as noted.
- If a service charge will be incurred, include the heading "Amount of Service Charge" followed by the amount and the statement, "YOU may be charged only one service charge, including any trip charge or inspection fee."
- Where the contract is a fixed amount, include the heading "Contract Price," followed by the amount.
- Where the contract amount is estimated (time and materials), include the heading "Estimated Contract Price," followed by the estimated total contract price, and how that figure is calculated. Also include the statement: "The actual contract amount of a time and materials contract may not exceed the estimated contract amount without written authorization from the buyer."
- If you are charging a finance charge, include the heading "Finance Charge," followed by the amount. This must be listed separately from the contract amount.
- Include the heading: "Description of the Project and Description of the Significant Materials to be Used and Equipment to be Installed," followed by a description of the project and significant materials/equipment.

*Cont., Page 2*

Subscribe to  
**The Contractor's Secret Weapon**  
**FREE News, Articles & Tips**  
<http://constructioncommando.blogspot.com>



© 2008 Construction Commando. All rights reserved.

This publication is not intended to serve as a substitute for legal advice, nor does it create an attorney-client relationship. Please consult with a licensed attorney if you require legal advice.

I am not an attorney, and Construction Commando is not a law firm. I can only provide self-help services at your specific direction. Bonded & registered Legal Document Assistant, LDA #44 (SD, exp. 8/8/08).



P.O. Box 712548  
Santee, CA 92072-2548  
Ph. (619) 564-4869  
Fax (619) 564-4870  
suzanne@  
constructioncommando.com  
www.  
constructioncommando.com

## Contracts, continued from page 1

- If applicable, include the heading "List of Documents to be Incorporated into the Contract," followed by the list.
- Include the heading "Workers' Compensation Insurance" followed by either:
  - "(The name on the license or 'This contractor') has no employees and is exempt from workers' compensation requirements," or
  - "(The name on the license or 'This contractor') carries workers' compensation insurance for all employees."
  - (This notice may be included as an attachment, if the contract itself includes the statement, "A notice concerning workers' compensation insurance is attached to this contract.")
- Include the heading "Commercial General Liability Insurance (CGL)" followed by either:
  - "(The name on the license or 'This contractor') does not carry commercial general liability insurance," or
  - "(The name on the license or 'This contractor') carries commercial general liability insurance written by (the insurance company). You may call the \_\_\_\_\_ to check the contractor's insurance coverage," or
  - "(The name on the license or 'This contractor') is self-insured."
  - (This CGL notice may be included as an attachment, if the contract itself includes the statement, "A notice concerning commercial general liability insurance is attached to this contract.")
- Include the "Notice to the Buyer" language set forth in Business & Professions Code sections 7159.10(e)(2) and 7159.10(e)(3) in at least 12-point type. This statement must be signed and dated by the buyer.

*This checklist is provided for informational purposes only, and is not a substitute for legal counsel. If you have any questions regarding how this information may apply to your situation, please consult with an experienced construction attorney.*

## About Construction Commando

With a paralegal background, and nearly a lifetime spent in the construction industry, Suzanne Ervine is uniquely poised to assist contractors in handling their own legal and financial affairs.

Suzanne is a bonded Legal Document Assistant and a practicing freelance Paralegal. She established Construction Commando to provide affordable, quality legal document services to contractors who choose to handle their own legal matters without a lawyer.

Construction Commando's services can be tailored to fit your specific needs, whether you just need a contract, lien or release form, or want an experienced legal professional to take you through the entire process, handling all document preparation, official filing & recording, and service of process on your behalf.

Together with her husband Roger, Suzanne also owns and manages Fidelity Electric, a full-service residential and commercial electrical contracting company.

### Overwhelmed by Paperwork?

Let our construction contracts package take the guesswork out of being a contractor!

- Affordable
- Customizable, add your own logo
- Print-on-demand, or take to your favorite print shop
- PDF and RTF formats (compatible with Adobe, Word, WordPerfect, etc.)

For information, visit [www.constructioncommando.com](http://www.constructioncommando.com)