

# HIGHLIGHTS OF THE 2025-2026 EDITION

This 2025-2026 Edition of the **California Construction Law Manual** has been updated to reflect recent trends and to include all of the latest case law, statutory law, and regulatory developments affecting construction law in California.

This volume includes **Appendix B**, which is a summary of all California construction-related legislation signed into law in 2024, and adds **Appendix C**, which consists of the American Arbitration Association’s “Summary of Changes: Construction Industry Arbitration Rules,” and the article “Expedited Arbitration Procedures for Small Claims Can Save Contractors Time and Money.”

In addition, this edition includes cases addressing the following active and emerging issues:

- **Privity of contract**

*Lynch v. Peter & Associates*, 104 Cal.App.5th 1181, 325 Cal.Rptr.3d 265 (2024). Chapters 1 and 5

- **Unconscionable provisions**

*Ramirez v. Charter Commc’ns, Inc.*, 16 Cal. 5th 478, 551 P.3d 520, 551 P.3d 520 (2024), *Ramirez v. Charter Commc’ns, Inc.*, 108 Cal.App.5th 1297, — Cal.Rptr.3d — (2025). Chapters 1 and 3

- **Attorney fees**

*American Building Innovation LP v. Balfour Beatty Construction, LLC*, 104 Cal.App.5th 954, 325 Cal.Rptr.3d 136 (2024), *AGK Sierra de Montserrat, L.P. v. Comerica Bank*, 109 F.4th 1132 (9th Cir. 2024), *Byers v. Superior Court*, 101 Cal.App.5th 1003, 320 Cal.Rptr.3d 748 (2024). Chapters 1 and 5

- **Fraud and mistake**

*Kousisis v. United States*, 145 S. Ct. 1382 (2025). Chapter 1

- **Subcontractors’ listing law**

*Golden State Boring & Pipe Jacking, Inc. v. Astaldi Construction Corp.*, 110 Cal.App.5th 805, 331 Cal.Rptr.3d 862 (2025). Chapter 1

- **Interpretation of indemnity clauses**

*AGK Sierra de Montserrat, L.P. v. Comerica Bank*, 109 F.4th 1132

(9th Cir. 2024), *Truck Ins. Exchange v. Kaiser Cement*, 16 Cal. 5th 67, 321 Cal. Rptr. 3d 761, 549 P.3d 781 (2024). Chapters 1 and 5

- **Prompt payment requirements**

Updated Prompt Payment Statute Matrix. Chapter 1

- **Contract requirements for construction of single-family dwelling**

Updated. Chapter 2

- **Home improvement contracts**

Updated Additional sample form. Chapter 2

- **Arbitration**

Enforcement of arbitration agreement: *West v. Solar Mosaic, LLC*, 105 Cal.App.5th 985, 326 Cal.Rptr.3d 383 (2024); Appeal of award: *Valencia v. Mendoza*, 103 Cal.App.5th 427, 322 Cal.Rptr.3d 903 (2024); [New] American Arbitration Association Construction Industry Arbitration Rules and Mediation Procedures; [New] CSLB Mandatory and Voluntary Arbitration Programs. Chapter 3

- **Contractors' License Law**

Necessity of license: updates to Business and Professions Code § 7025, et al; Exemption for minor work: update to Business and Professions Code § 7048; Contractor must maintain workers' compensation insurance and liability insurance: update to Business & Professions Code Section 7125, *American Building Innovation LP v. Balfour Beatty Construction, LLC*, 104 Cal.App.5th 954, 325 Cal.Rptr.3d 136 (2024); License not effective for full period of job: *American Building Innovation LP v. Balfour Beatty Construction, LLC*, 104 Cal.App.5th 954, 325 Cal.Rptr.3d 136 (2024); Substantial compliance: *American Building Innovation LP v. Balfour Beatty Construction, LLC*, 104 Cal.App.5th 954, 325 Cal.Rptr.3d 136 (2024); Liability of owner who employs unlicensed contractor: *Padron v. Osoy*, 110 Cal.App.5th 677, 332 Cal.Rptr.3d 28 (2025), Owner's liability for acts of unlicensed contractor: *Vebr v. Culp*, 241 Cal.App.4th 1044, 194 Cal.Rptr.3d 459 (2015). Chapter 4

- **False claims**

*U.S. ex rel. Hendrix v. J-M Mfg. Co., Inc.*, 76 F.4th 1164 (9th Cir. 2023), *Lesnik v. ISM Vuzek*, 112 F.4th 816 (9th Cir. 2024). Chapters 5 and 7

- **Construction defects**

Responsibility of owner: *Restivo v. City of Petaluma*, 111 Cal.App.5th 267, 332 Cal.Rptr.3d 574 (2025); Third party versus

design professional: *RND Contractors, Inc. v. Superior Court of San Bernardino*, 112 Cal.App.5th 697, — Cal.Rptr.3d— (2025); Third party versus environmental consultant: *Lynch v. Peter & Associates*, 104 Cal.App.5th 1181, 325 Cal.Rptr.3d 265 (2024); Liability of contractors on public jobs: *Lorenzo v. Callex Engineering, Inc.*, 10 Cal.App.5th 493, 31 Cal.Rptr.3d 513 (2025). Chapter 5

● **Liability of public agency**

Immunity: *Regents of University of California v. Superior Court of the City and County of San Francisco*, 102 Cal.App.5th 852, 322 Cal.Rptr.3d 114 (2024), *Kabat v. Department of Transportation*, 107 Cal.App.5th 651, 328 Cal.Rptr.3d 417 (2024). Chapter 5

● **Insurance**

Interpretation of insurance policies: *Truck Ins. Exchange v. Kaiser Cement*, 16 Cal. 5th 67, 321 Cal. Rptr. 3d 761, 549 P.3d 781 (2024); Additional insured: *Travelers Property Casualty Ins. Co. v. Chipotle Mexican Grill, Inc.*, 744 F.Supp.3d 1029 (C.D. Cal. 2024), *Zurich American Ins. Co. v. Old Republic General Ins. Corp.*, 2024 WL 827710 (unpublished opinion); Tender to excess carrier: *Truck Ins. Exchange v. Kaiser Cement*, 16 Cal. 5th 67, 321 Cal. Rptr. 3d 761, 549 P.3d 781 (2024); Insured may be entitled to independent counsel: *Travelers Property Casualty Ins. Co. v. Chipotle Mexican Grill, Inc.*, 744 F.Supp.3d 1029 (C.D. Cal. 2024); Property insurance: *50 Exchange Terrace LLC v. Mount Vernon Specialty Insurance Co.*, 129 F.4th 1186 (9th Cir. 2025); Homeowners insurance: *Byers v. Superior Court*, 101 Cal.App.5th 1003, 320 Cal.Rptr.3d 748 (2024); [New] Brandt damages for attorney fees incurred seeking coverage: *Byers v. Superior Court*, 101 Cal.App.5th 1003, 320 Cal.Rptr.3d 748 (2024). Chapter 5

● **Limitations**

*Rosenberg-Wohl v. State Farm Fire and Casualty Company*, 16 Cal.5th 520, 551 P.3d 1097, 323 Cal.Rptr.3d 95 (2024). Chapter 5

● **Equitable contribution**

*Truck Ins. Exchange v. Kaiser Cement*, 16 Cal. 5th 67, 321 Cal. Rptr. 3d 761, 549 P.3d 781 (2024). Chapter 5

● **Stop payment notice time limits and procedure**

*Tarlton & Sons, Inc. v. Great American Insurance Company*, Chapters 6 and 8

● **Public contracts**

Subcontractors listing law: *Golden State Boring & Pipe Jacking, Inc. v. Astaldi Construction Corp.*, 110 Cal.App.5th 805, 331 Cal.Rptr.3d 862 (2025); Claim of subcontractor that was substituted out: *Golden State Boring & Pipe Jacking, Inc. v. Astaldi*

*Construction Corp.*, 110 Cal.App.5th 805, 331 Cal.Rptr.3d 862 (2025); [New] Apprenticeship requirements: *Lusardi Construction Company v. Department of Industrial Relations*, 102 Cal. App. 5th 1329, 322 Cal. Rptr. 3d 301 (2024). Chapter 7

● **Claims of Subcontractors and Suppliers on Public Jobs**

Time limit for stop payment notice: *Tarlton & Sons, Inc. v. Great American Insurance Company*, 111 Cal.App.5th 376, 332 Cal.Rptr.3d 558 (2025); [New] Subletting and Subcontracting Fair Practices Act: *Golden State Boring & Pipe Jacking, Inc. v. Astaldi Construction Corp.*, 110 Cal.App.5th 805, 331 Cal.Rptr.3d 862 (2025). Chapter 8

● **Labor laws**

*Lusardi Construction Company v. Department of Industrial Relations*, 102 Cal. App. 5th 1329, 322 Cal. Rptr. 3d 301 (2024), *Huerta v. CSI Electrical Contractors*, 15 Cal. 5th 908, 319 Cal. Rptr. 3d 376, 544 P.3d 1118 (Cal. 2024). Chapter 9

We work diligently each year to make this publication the most important resource available on these topics and hope that you will find it valuable in your practice. Should you have any questions or comments or notice anything you think is not accurate, please let me know at [annettedavis@aol.com](mailto:annettedavis@aol.com).

Many thanks for your subscription.

Annette Davis Perrochet

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