



INSTRUCTIONS — NOT PART OF THE AGREEMENT

This template helps Colorado homeowners understand what a strong contractor agreement looks like. It is an educational starting point provided by jaspector.com — not a finished contract, and not legal advice. Colorado does not have a single statewide general contractor license, and licensing requirements vary by local jurisdiction. Have this document reviewed by a Colorado-licensed attorney before use. Use of this template does not create an attorney-client relationship, and jaspector.com assumes no liability for any outcomes arising from its use.

How to Use This Template

1. **Verify the contractor's license.** Colorado does not issue a statewide general contractor license. Verify the contractor's local license or registration with the city or county building department where your property is located. For state-regulated trades (electrical, plumbing), use the DORA license lookup at dora.colorado.gov/check-a-license.
2. **Download and print this document.** Fill in every blank field before signing. Do not leave any section empty or sign a contract with blank spaces.
3. **Read the Colorado Legal Notes below.** They explain the local licensing system, Construction Trust Fund protections, cancellation rights, and mechanics' lien rules specific to Colorado.
4. **Both parties sign.** You and the contractor each receive a signed copy before any work starts.
5. **Consult an attorney.** For large projects or complex scopes, have a Colorado-licensed attorney review the agreement before you sign.

Field-by-Field Guide

Section 1 — Parties

Fill in legal names exactly as they appear on official documents. Colorado has no statewide general contractor license — enter the contractor's local license or registration number and the issuing jurisdiction (city or county). For electrical or plumbing work, also enter the DORA trade license number and type. Match the business name on this contract to the local license record exactly — this is critical if a dispute develops later.

Section 2 — Scope of Work

Be as specific as possible. "Basement finish" is not enough — list materials, dimensions, finishes, and what is explicitly excluded. Vague scopes are the leading cause of contractor disputes. Note that permit requirements vary by municipality in Colorado — the contractor should pull all permits required by your local building department.

Section 3 — Payment Schedule

Colorado has no statutory cap on down payment amounts for general home improvement contracts. Homeowners should negotiate a reasonable deposit — typically no more than 10%–15% of the contract price — and tie all subsequent payments to completed, verifiable work milestones, not calendar dates. Under CRS §38-22-127 (the Construction Trust Fund Statute), all funds paid to a contractor are held in trust and must be used for your project. Never pay the full contract price before work is complete.

Section 4 — Timeline

Get start and completion dates in writing. Fill in the delay penalty fields — these protect you if the contractor falls behind without justification.

Section 7 — Warranties

Fill in the warranty period. One year is common; negotiate for longer on major work. Ensure manufacturer warranties are passed through to you in writing.

Section 9.3 — Cancellation Rights

Colorado provides cancellation rights in two specific circumstances. First, if the contract was solicited at your home (Home Solicitation Sales Act, CRS §5-12-106), you may cancel within three business days of signing without penalty. Second, if this is a residential roofing contract to be paid from insurance proceeds (CRS §6-22-103), you may rescind within 72 hours of receiving written notice from your insurer that the claim is denied in whole or in part. In both cases, the contractor must provide written notice of these rights at the time of signing.

Section 11 — Mechanics' Lien

Colorado mechanics' liens are filed with the county clerk and recorder. A contractor must serve a **Notice of Intent to File a Lien** on you at least 10 days before recording the lien (CRS §38-22-109(4)). The lien itself must be filed within four months of the last date labor or materials were furnished (CRS §38-22-109(5)). Request lien waivers with every payment.

Section 14 — Exhibits

Attach all plans, specs, the contractor's local license or registration printout, DORA trade license printout (if applicable), certificates of insurance, and the cancellation notice form if applicable. Check each box for what you are including.

Colorado Legal Notes

Note 1 — Local Licensing System (Section 1, 12.1)

Colorado does not issue a statewide general contractor license. Licensing and registration for general contractors are administered by individual cities and counties. Requirements vary significantly — Denver, Aurora, Colorado Springs, Boulder, and other major jurisdictions each have their own contractor registration systems. Before signing, verify the contractor's license or registration with the building department for the

jurisdiction where your property is located. For state-regulated trade work, the Colorado Department of Regulatory Agencies (DORA) issues licenses for electrical contractors (CRS §12-115-101 et seq.) and plumbing contractors (CRS §12-155-101 et seq.). Always verify DORA trade licenses at dora.colorado.gov/check-a-license.

Note 2 — Construction Trust Fund (Section 3.2, 11.4)

Under CRS §38-22-127, all funds paid to a contractor for a construction project are held in trust by law. The contractor must use those funds for your project — to pay subcontractors, laborers, and material suppliers. Diverting those funds to other projects or personal use is **theft** under CRS §18-4-401. This is one of Colorado's strongest homeowner protections. If a contractor fails to pay subcontractors or suppliers after you have paid them, that is a criminal act, not merely a civil dispute. Ask your contractor to confirm in writing that they understand their trust fund obligations.

Note 3 — No Statutory Deposit Cap (Section 3.2)

Unlike California, Colorado does not impose a statutory dollar cap on contractor down payments for general home improvement contracts. Homeowners should negotiate conservatively — limit upfront payments to mobilization costs and nonreturnable materials. A down payment exceeding 15–20% of the contract price for work that has not yet begun warrants careful scrutiny. Tie all subsequent payments to completed milestones, not calendar dates.

Note 4 — Cancellation Rights (Section 9.3)

Home Solicitation Sales (CRS §5-12-106): If this contract was solicited at your home (door-to-door sale) and involves a consumer credit transaction of \$25 or more, you have the right to cancel within three business days of signing without penalty. The contractor must provide written notice of this right at the time of signing.

Residential Roofing Contracts (CRS §6-22-103 and §6-22-104): If this contract is for residential roofing work to be paid from insurance proceeds, you may rescind the contract within 72 hours after receiving written notice from your insurer that the claim is denied in whole or in part. The contractor must return all deposits within 10 days of rescission. **Federal FTC Cooling-Off Rule:** For any door-to-door sale of \$25 or more, the federal FTC Cooling-Off Rule also provides a three-day cancellation right.

Note 5 — Mechanics' Lien Deadlines (Section 11)

Colorado mechanics' lien law (CRS §38-22-101 et seq.) sets the following key deadlines: A **Notice of Intent to File a Lien** must be served on the property owner at least 10 days before the lien is recorded (CRS §38-22-109(4)). The **lien itself** must be recorded with the county clerk and recorder within four months after the last day labor or materials were furnished (CRS §38-22-109(5)). A **foreclosure action** to enforce the lien must be filed within six months of the last day of work or materials furnished (CRS §38-22-110). If you receive a lien notice, consult a Colorado attorney immediately. Request unconditional lien waivers with every payment.

Note 6 — Colorado Consumer Protection Act (Section 12.3)

The Colorado Consumer Protection Act (CRS §6-1-105) prohibits unfair or deceptive trade practices. This includes misrepresenting contractor qualifications, performing unauthorized work, and failing to complete contracted work. Homeowners who prevail on a Consumer Protection Act claim may recover actual damages,

treble damages (up to three times actual damages), and attorney's fees under CRS §6-1-113. File a complaint with the Colorado Attorney General's Consumer Protection Division at stopfraudcolorado.gov or call 1-800-222-4444.

Note 7 — Small Claims Limit (Section 10.3)

Colorado County Courts handle civil claims up to \$25,000, including disputes in the Small Claims Court division (CRS §13-6-403). For disputes above that threshold, the matter proceeds in Colorado District Court. The prevailing party may be entitled to recover reasonable attorney's fees and costs where a written contract exists.

Note 8 — Bonding (Section 8.2)

Colorado does not require a statewide surety bond for general contractors. However, many local jurisdictions require a bond as part of contractor registration. Ask the contractor whether a bond is required by your city or county, obtain the bond number, and verify it is current. For public works contracts over \$50,000, a performance and payment bond is required under CRS §38-26-106.

About Jaspector

jaspector.com 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 — or email hi@jaspector.com to get started.

The instructions and notes above are provided by 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. Template Version 1.0 — March 21, 2026.

COLORADO HOMEOWNER-CONTRACTOR AGREEMENT

This agreement is entered into by the Homeowner and Contractor identified in Section 1 below.

Section 1 — Parties

Homeowner (Property Owner)

Name(s) _____

Property Address _____

Mailing Address (if different) _____

Phone _____

Email _____

Contractor

Business Name (Legal Entity) _____

Local License / Registration # _____

Issuing Jurisdiction (City / County) _____

DORA Trade License # (if applicable) _____

Trade License Type (Electrical /
Plumbing) _____

Business Address _____

Phone _____

Email _____

Workers' Compensation Policy # _____

General Liability Policy # _____

Section 2 — Scope of Work

2.1 Project Description

2.2 Work NOT Included

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 (circle one)

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

Section 3 — Contract Price and Payment Schedule

3.1 Total Contract Price

Total Contract Price	\$ _____
Sales Tax (if applicable)	\$ _____
Permit Fees (if billed separately)	\$ _____
Total Amount Due	\$ _____

3.2 Payment Schedule

Colorado has no statutory cap on down payments for home improvement contracts. Under CRS §38-22-127, all funds paid to a contractor are held in trust and must be used for this project. Keep the initial deposit reasonable and tie all payments to completed milestones.

Payment	Amount	Trigger (Work Milestone)
Down Payment	\$ _____	Upon signing
Progress Payment 1	\$ _____	_____

Payment	Amount	Trigger (Work Milestone)
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

Section 4 — Project Timeline

Estimated Start Date _____

Estimated Completion Date _____

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

Section 5 — Change Orders

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.

Section 6 — Materials and Workmanship

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 (circle applicable)
- 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 applicable Colorado building codes 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 that requires a state or local license must hold a valid, active license in the applicable jurisdiction
- Homeowner may request license or registration numbers for any subcontractor working on the project

Section 7 — Warranties

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.

Section 8 — Insurance and Bonding

8.1 Contractor Insurance Requirements

Contractor shall maintain, at minimum, the following coverage for the duration of the project:

Coverage	Minimum Amount
General Liability	\$ _____
Workers' Compensation	Statutory limits (required 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

8.2 Bonding

Colorado does not require a statewide contractor bond for general contractors. However, many local jurisdictions require a surety bond as part of contractor registration. Contractor represents that all bonds required by the applicable jurisdiction are currently in force. Contractor shall provide the bond number and surety name upon request: Bond # _____ Surety: _____.

Section 9 — Termination

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 within 10 business days; Contractor shall not charge a cancellation penalty exceeding actual costs reasonably incurred.

9.2 Contractor's Right to Terminate

Contractor may terminate this contract if: (a) Homeowner fails to make a payment due under this contract within _____ days of written notice of default; or (b) conditions at the job site make the work unsafe or illegal to continue.

9.3 Cancellation Rights

Home Solicitation Sales (CRS §5-12-106): If this contract was solicited at the Homeowner's residence or at a location other than the Contractor's established place of business, and involves a consumer credit transaction of \$25 or more, the Homeowner has the right to cancel this contract within **three (3) business days** of signing without penalty. The Contractor must provide written notice of this right at the time of signing. Failure to provide this notice may extend the cancellation period.

Residential Roofing Contracts (CRS §6-22-103 and §6-22-104): If this contract is for residential roofing work to be paid from insurance proceeds, the Homeowner may rescind this contract within **72 hours** after receiving written notice from the insurer that the claim is denied in whole or in part. Contractor shall return all deposits within 10 days of rescission.

Federal FTC Cooling-Off Rule: For any door-to-door sale of \$25 or more, the federal FTC Cooling-Off Rule also provides a three-day cancellation right. Contractor must provide a cancellation form at the time of signing.

Section 10 — Dispute Resolution

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 Legal Action

If mediation fails, either party may pursue legal action in the Colorado court for the county where the property is located. Colorado County Courts handle civil claims up to \$25,000 (CRS §13-6-403). The prevailing party shall be entitled to recover reasonable attorney's fees and costs. Homeowners may also file a complaint with the Colorado Attorney General's Consumer Protection Division at stopfraudcolorado.gov or call 1-800-222-4444.

Section 11 — Mechanics' Lien Notice

CRS §38-22-101 et seq. allows contractors, subcontractors, and material suppliers to place a mechanics' lien on your property if they are not paid for work or materials. This lien can affect your ability to sell or refinance.

11.1 Notice of Intent to File a Lien

Under CRS §38-22-109(4), a contractor or subcontractor must serve a written **Notice of Intent to File a Lien** on the property owner at least **10 days** before recording the lien statement with the county clerk and recorder. This notice must be served by personal service or certified mail. If you receive such a notice, contact the contractor immediately to resolve any payment dispute. Keep all notices on file.

11.2 Lien Filing Deadlines

A mechanics' lien must be recorded with the county clerk and recorder within **four (4) months** after the last date labor or materials were furnished to the project (CRS §38-22-109(5)). A foreclosure action to enforce the lien must be filed within **six (6) months** of the last day of work or materials furnished (CRS §38-22-110). If you receive a lien notice, consult a Colorado attorney immediately.

11.3 Protecting Against Liens

- Request lien waivers from Contractor and all subcontractors with each progress payment
- Request a final unconditional lien waiver from Contractor and all subcontractors upon final payment
- Colorado does not mandate specific statutory lien waiver forms — use clear, written waivers that identify the project, amount, and parties
- Require Contractor to provide a list of all subcontractors and material suppliers at project start

11.4 Construction Trust Fund Protection

Under CRS §38-22-127, all funds paid to Contractor for this project are held in trust by law. Contractor must use those funds to pay subcontractors, laborers, and material suppliers on this project. Diversion of those funds to other projects or personal use is theft under CRS §18-4-401. By signing this contract, Contractor acknowledges their trust fund obligations under Colorado law.

Section 12 — Colorado-Specific Requirements

12.1 Local Licensing Compliance (CRS §12-115-101; CRS §12-155-101)

- Contractor holds a valid local license or registration for the jurisdiction where the property is located
- Contractor's local license or registration number is listed in Section 1 of this contract
- For electrical work: Contractor or subcontractor holds a valid DORA electrical license (CRS §12-115-101 et seq.)
- For plumbing work: Contractor or subcontractor holds a valid DORA plumbing license (CRS §12-155-101 et seq.)
- Contractor represents that all applicable licenses and registrations are current and cover the work described in this contract

12.2 Written Contract Best Practices

While Colorado does not have a single statute mandating all home improvement contract terms, the Colorado Consumer Protection Act (CRS §6-1-105) and common law strongly favor written contracts that include all of the following:

- Contractor's name, business address, and local license or registration number
- A description of the work to be performed and materials to be used
- The contract price and payment schedule
- The approximate start and completion dates
- Cancellation rights notice (if applicable — see Section 9.3)
- Insurance and bonding information

12.3 Colorado Consumer Protection Act Statement

The Colorado Consumer Protection Act (CRS §6-1-105) prohibits unfair or deceptive trade practices. Homeowners who believe a contractor has engaged in deceptive practices — including misrepresenting

qualifications, performing unauthorized work, or failing to complete contracted work — may file a complaint with the Colorado Attorney General and may be entitled to actual damages, treble damages, and attorney’s fees under CRS §6-1-113.

Section 13 — General Provisions

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 Colorado.

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.

Section 14 — Exhibits and Attachments

- Exhibit A: Plans and Drawings
- Exhibit B: Material Specifications
- Exhibit C: Notice of Right to Cancel (if applicable — see Section 9.3)
- Exhibit D: Contractor’s Local License / Registration Printout
- Exhibit E: Contractor’s DORA Trade License Printout (if applicable)
- Exhibit F: Certificates of Insurance
- Additional: _____

Signatures

By signing below, both parties acknowledge that they have read, understand, and agree to all terms of this contract.

Homeowner

Signature

Printed Name

Date

Homeowner (if jointly owned)

Signature

Printed Name

Date

Contractor

Signature

Printed Name

Title

Local License / Registration #

Date

Colorado Homeowner Pre-Signing Checklist

Before signing, confirm each item below.

- Verified contractor's local license or registration with the city or county building department
- For electrical or plumbing work: verified DORA trade license at dora.colorado.gov/check-a-license
- Legal business name on contract matches the local license record exactly
- Workers' compensation insurance confirmed (if contractor has employees)
- Asked about local bond requirements and obtained bond number and surety name (if applicable)
- Requested and received proof of general liability insurance
- Down payment is reasonable — no more than 10%–15% of contract price recommended
- Payment schedule tied to work milestones, not calendar dates
- Contractor confirmed awareness of Construction Trust Fund obligations (CRS §38-22-127)
- Cancellation rights notice provided (if contract was solicited at home or is an insurance-funded roofing job)
- 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
- List of all subcontractors and material suppliers requested from contractor
- Lien waiver plan confirmed — waivers to be collected with every payment