



COMMERCIAL CONSTRUCTION AGREEMENT

Private Commercial Construction / Remodeling / Tenant Improvement Contract

IMPORTANT: This form is intended for private commercial work. It is not intended for public works or owner-occupied residential home-improvement projects without appropriate revision.

Contractor	Shep Quality Construction LLC ("Contractor")
Contractor Address	8250 N 600 W, Ste 31, McCordsville, IN 46055
Contractor Email	shepqualityconstruction@gmail.com
Contractor Phone	_____
Owner / Client Legal Name	_____
Owner Entity Type	Corporation / LLC / Partnership / Individual / Other: _____
Owner Address	_____
Owner Contact / Representative	_____
Owner Phone / Email	_____
Project Name	_____
Project Address	_____
Architect / Designer (if any)	_____
Lender / Construction Manager (if any)	_____
Agreement Date	_____
Contract Price	\$ _____
Estimated Start	_____
Estimated Substantial Completion	_____

1. AGREEMENT; CONTRACT DOCUMENTS

Owner engages Contractor to perform the commercial construction, remodeling, renovation, tenant-improvement, repair, or related services described in the Contract Documents. The Contract Documents consist of this Agreement, the accepted proposal or estimate, Exhibit A (Scope / Specifications), Exhibit B (Payment Schedule / Allowances), plans and specifications specifically identified in writing, approved change orders, and written addenda. If a conflict exists, a later signed change order controls over earlier documents for the subject of that change; otherwise this Agreement controls unless a Contract Document expressly states that it supersedes a specific provision.

2. SCOPE OF WORK; EXCLUSIONS

Contractor shall furnish only the labor, supervision, materials, equipment, and services expressly included in the Contract Documents. Any item not specifically included is excluded. Excluded work includes, unless specifically priced and accepted, design or engineering, surveys, testing, environmental services, concealed-condition repairs, utility-company charges, landlord work, tenant business relocation, security, information technology, furniture, fixtures and equipment, special inspections, permit-expediting charges, and correction of pre-existing code or accessibility deficiencies.

3. CONTRACT PRICE; TAXES; ALLOWANCES

Owner shall pay the Contract Price stated above, as adjusted by approved change orders, allowance reconciliations, unit-price adjustments, concealed conditions, escalation provisions, or other written adjustments permitted by the Contract Documents. Allowances are budget placeholders and are not guaranteed purchase prices. If actual documented cost plus applicable taxes, freight, handling, and agreed contractor markup exceeds an allowance, the difference is added to the Contract Price; if less, the net unused allowance is credited unless the applicable exhibit states otherwise. Sales, use, excise, permit, and similar project taxes are included only to the extent expressly stated.

4. PAYMENT; PROGRESS BILLING; RETAINAGE

Owner shall make payments according to Exhibit B or the accepted proposal. Unless otherwise stated, invoices are due within seven (7) calendar days after delivery. Payment is not conditioned on Owner obtaining financing, receiving rent, being reimbursed by a tenant, lender, insurer, landlord, or third party, or receiving funds from any other source. No retainage may be withheld unless a specific retainage percentage is stated in Exhibit B. Owner may not withhold an entire payment because of a disputed minor item; any good-faith withholding must be limited to a reasonable amount directly related to the disputed work.

5. LATE PAYMENT; STOP WORK; COLLECTION

Past-due amounts accrue a service charge of 1.5% per month (18% per year) or the maximum lawful rate, whichever is less. If payment is not timely made, Contractor may, after written or electronic notice, suspend procurement, scheduling, or Work until all past-due amounts and reasonable remobilization costs are paid. The Contract Time will be extended for the suspension and resulting impacts. Owner shall reimburse Contractor for reasonable collection costs, lien-preparation costs, court costs, and attorney fees to the extent recoverable by law.

6. CHANGE ORDERS; FIELD DIRECTIVES; AUTHORIZED REPRESENTATIVE

No change in scope, price, quality, material, sequence, or Contract Time is binding unless documented in a written change order, field directive, email, text, electronic signature, or project-management record approved by Owner or Owner's designated representative and accepted by Contractor. Owner represents that its designated representative has authority to approve changes and direct the Work. Contractor is not required to perform changed work before price and time impacts are approved, except emergency work reasonably necessary to protect persons or property, which will be billed as additional work.

7. OWNER-DIRECTED ACCELERATION; OVERTIME; PHASING

The Contract Price and schedule are based on ordinary work hours, access, sequencing, and phasing unless stated otherwise. Acceleration, overtime, premium freight, multiple mobilizations, after-hours work, occupied-space phasing, temporary protection, or resequencing requested by Owner or made necessary by Owner, tenants, landlord, other contractors, or schedule compression is additional work and may extend or increase the Contract Price.

8. START; SCHEDULE; DELAYS; FORCE MAJEURE

Start and completion dates are good-faith estimates, not guarantees, unless expressly stated as guaranteed in a signed addendum. Contractor is entitled to a reasonable extension and compensation for delay, disruption, loss of productivity, escalation, remobilization, or resequencing caused by weather, concealed conditions, labor or material shortages, transportation interruption, permit or inspection delay, utility delay, design revisions, owner decisions, landlord or tenant restrictions, other contractors, strikes, governmental action, casualty, epidemic, acts of God, or other causes beyond Contractor's reasonable control.

9. MATERIAL PRICE ESCALATION; AVAILABILITY; SUBSTITUTIONS

Pricing is based on market conditions and supplier quotations reasonably available when the proposal is issued. Material, fuel, freight, equipment, tariff, or manufacturer increases occurring after execution and outside Contractor's reasonable control may be treated as an equitable adjustment if they materially increase Contractor's cost. If a specified product becomes unavailable, discontinued, delayed, or commercially impracticable to obtain, Contractor may propose a reasonably comparable substitute subject to Owner approval, with resulting price and time adjustments documented by change order.

10. PERMITS; CODES; INSPECTIONS; LANDLORD / ASSOCIATION APPROVALS

Responsibility for permits, plan review, inspections, certificates, landlord approvals, property-management requirements, association approvals, and fees shall be as stated in the proposal or Exhibit A. Owner shall timely provide signatures, corporate documents, leases, landlord consents, surveys, and other information needed for approvals. Contractor is not responsible for delays or added costs caused by authorities having jurisdiction, landlord requirements, code interpretations, or correction of pre-existing nonconforming conditions unless expressly included.

11. DESIGN; ARCHITECT / ENGINEER; OWNER-FURNISHED INFORMATION

Unless Contractor expressly agrees in writing to design-build responsibility, Owner is responsible for design adequacy and for retaining licensed architects, engineers, surveyors, and other design professionals required for the Project. Contractor may rely on plans, specifications, surveys, reports, and directions furnished by Owner or its professionals without independent verification except for obvious discrepancies. Errors, omissions, conflicts, or revisions in owner-furnished design documents constitute a basis for change in price and time.

12. CONCEALED OR DIFFERING SITE CONDITIONS

The Contract Price is based on conditions reasonably visible or disclosed before contracting. Concealed or materially different conditions - including unknown utilities, unsuitable soil, undocumented structures, rot, corrosion, water intrusion, mold, asbestos, lead, hazardous materials, undocumented wiring or plumbing, structural deficiencies, or concealed code violations - are not included unless specifically stated. Contractor may stop affected Work, secure the area, and issue a change order for investigation, correction, and resulting delay.

13. HAZARDOUS MATERIALS; ENVIRONMENTAL CONDITIONS

Unless expressly included, Contractor is not responsible for testing, abatement, remediation, containment, transport, or disposal of asbestos, lead, mold, microbial growth, contaminated soil, chemicals, petroleum products, or other hazardous substances. Owner shall disclose known hazardous conditions. Contractor may immediately suspend affected Work upon discovery of a suspected hazardous condition until qualified testing and remediation are completed. Resulting standby, protection, demobilization, remobilization, and schedule impacts are additional costs to Owner.

14. ACCESS; OCCUPANCY; UTILITIES; SECURITY

Owner shall provide Contractor and its subcontractors safe and continuous access to the Project during agreed working hours, including reasonable staging, loading, parking, elevator, restroom, water, and electrical access unless otherwise stated. Owner shall coordinate occupants, tenants, customers, employees, pets, security systems, and restricted areas so the Work may proceed safely. Contractor is not responsible for business interruption, lost sales, loss of use, or delays caused by occupancy restrictions not identified before contracting.

15. OWNER'S SEPARATE CONTRACTORS; COORDINATION

Owner may employ separate contractors, but Owner is responsible for overall coordination unless Contractor expressly accepts construction-management responsibility. Contractor is not responsible for the acts, omissions, delays, defects, safety practices, damage, or scheduling of Owner, landlord, tenants, vendors, or separate contractors. If their work interferes with Contractor, causes rework, or changes sequencing, Contractor is entitled to a reasonable adjustment in price and time.

16. SUBCONTRACTORS; SUPPLIERS

Contractor may select and use subcontractors, suppliers, equipment lessors, and vendors in its discretion. Nothing in this Agreement creates a contractual relationship between Owner and any subcontractor or supplier. Owner shall not directly instruct, hire, remove, or negotiate with Contractor's subcontractors concerning the contracted Work without Contractor's written consent.

17. SAFETY; OSHA; JOBSITE CONTROL

Contractor is responsible for safety precautions relating to its own Work and personnel. Each separate contractor remains responsible for its own means, methods, supervision, and safety. Owner shall not direct Contractor's means or methods. Owner shall disclose known site hazards and shall prevent unauthorized persons from entering active construction areas. Contractor may stop Work that it reasonably believes is unsafe without liability for resulting delay.

18. PROTECTION; CLEANUP; EXISTING PROPERTY

Contractor will use commercially reasonable protection for adjacent areas within the Work zone and will remove construction debris generated by its Work as stated in the scope. Construction-clean does not mean janitorial, sterilized, dust-free, or move-in cleaning unless expressly included. Owner shall remove or protect valuable, fragile, electronic, inventory, artwork, furniture, and personal property from affected areas. Contractor is not responsible for normal dust migration, vibration effects, or pre-existing conditions despite reasonable precautions.

19. INSURANCE; RISK OF LOSS; BUILDER'S RISK

Contractor shall maintain insurance required by applicable law and its ordinary business practices. Unless the Contract Documents expressly place builder's-risk responsibility on Contractor, Owner shall maintain property insurance adequate to cover the existing structure, Work in place, stored materials intended for the Project, and casualty risks. Each party shall promptly notify the other of a casualty affecting the Project. Repair of casualty damage not caused by Contractor's negligence is additional work.

20. INDEMNITY

To the fullest extent permitted by Indiana law, each party shall indemnify and hold the other harmless from third-party claims for bodily injury or physical property damage, but only to the extent caused by the indemnifying party's negligent acts or omissions, willful misconduct, or those of persons for whom it is legally responsible. Nothing in this Agreement requires indemnification for another party's sole negligence or willful misconduct.

21. SUBSTANTIAL COMPLETION; PUNCH LIST; ACCEPTANCE

Substantial Completion occurs when the Project or designated portion is sufficiently complete for its intended commercial use even though minor punch-list or corrective items remain. Occupancy, beneficial use, opening to the public, installation of Owner equipment, or commencement of business operations is evidence of Substantial Completion. Within five (5) business days after notice of Substantial Completion, Owner shall provide one consolidated written punch list. Punch-list items do not justify withholding more than a reasonable amount necessary to complete them. Final payment is due as stated in Exhibit B notwithstanding minor warranty work.

22. WARRANTY

Conditioned on full payment, Contractor warrants its workmanship for one (1) year from Substantial Completion unless a different written period applies to a specific item. Contractor's obligation is limited to repair or replacement, at its option, of defective Contractor workmanship after reasonable notice and access. Manufacturer and supplier warranties are passed through to Owner to the extent assignable. The warranty excludes normal wear, abuse, misuse, lack of maintenance, owner or third-party work, movement, settlement, moisture conditions not caused by Contractor, consumables, and items covered solely by manufacturer warranty.

23. NOTICE AND OPPORTUNITY TO INSPECT / CURE

Owner shall give Contractor prompt written notice of any alleged defective or incomplete Work and a reasonable opportunity to inspect and cure before Owner engages others to alter or repair that Work, except in a true emergency required to prevent imminent injury or material property damage. Failure to provide a reasonable inspection and cure opportunity may relieve Contractor of responsibility to the extent Contractor is prejudiced by the alteration or destruction of evidence.

24. MECHANIC'S LIEN; BOND; PAYMENT REMEDIES

Contractor does not waive any mechanic's lien, payment bond, trust, collection, or other payment remedy available by contract or Indiana law. Any request for lien waivers must be tied to actual cleared payment and may be conditioned, partial, or progress-specific. Owner shall not require Contractor to waive lien or payment rights for amounts not actually received. If the Project is bonded, Owner shall provide bond and surety information upon request.

25. SUSPENSION / TERMINATION BY CONTRACTOR

Contractor may suspend or terminate this Agreement after notice if Owner materially breaches the Contract Documents, fails to pay when due, fails to provide access or required approvals, repeatedly interferes with the Work, creates an unsafe condition, becomes insolvent, or otherwise makes continued performance commercially unreasonable. Upon suspension or termination, Owner shall pay for Work performed, materials ordered, noncancelable commitments, reasonable demobilization and remobilization costs, and other amounts then due.

26. TERMINATION BY OWNER

Owner may terminate Contractor for material breach only after written notice describing the breach and a reasonable opportunity to cure. Owner may also terminate for convenience upon written notice, but must pay Contractor for Work performed, approved change work, stored and ordered materials, noncancelable commitments, restocking and cancellation charges, reasonable demobilization, and earned overhead and profit attributable to work performed or committed through the termination date. Contractor shall then deliver paid-for Project materials and records reasonably required for continuation of the Work.

27. LIMITATION OF CONSEQUENTIAL DAMAGES

To the fullest extent permitted by law, neither party is liable to the other for consequential, incidental, special, exemplary, or punitive damages arising out of the Project, including lost profits, lost revenue, lost rent, lost business opportunity, loss of use, loss of financing, or reputational harm, except to the extent such damages are covered by insurance and actually recovered for the benefit of the claiming party or arise from willful misconduct where such limitation is prohibited by law.

28. DISPUTE RESOLUTION; GOVERNING LAW; VENUE

The parties shall first attempt in good faith to resolve disputes through written notice and a meeting between authorized representatives. Either party may request nonbinding mediation before litigation. This Agreement is governed by Indiana law. Any lawsuit not required by law to be filed elsewhere shall be brought in an Indiana court of competent jurisdiction in the county where the Project is located or, if the parties agree, Hamilton County, Indiana. Contractor may pursue lien rights, collection remedies, or emergency relief without first completing mediation.

29. NOTICES; ELECTRONIC COMMUNICATIONS; SIGNATURES

Notices may be delivered personally, by recognized overnight service, certified mail, email, text message, electronic-signature platform, or project-management system to the addresses or contacts identified in the Contract Documents. Electronic records and signatures may be used and are intended to have the same effect as originals. Owner is responsible for promptly updating its designated representative and contact information.

30. PHOTOGRAPHS; RECORDS; MARKETING

Contractor may photograph or video the Project for documentation, scheduling, quality control, safety, warranty, dispute resolution, and internal business records. Contractor may use non-confidential images of completed Work for portfolio and marketing purposes unless Owner gives written notice before Substantial Completion that such marketing use is prohibited. Contractor will not knowingly disclose Owner's confidential business information in marketing materials.

31. CONFIDENTIALITY; PROPRIETARY INFORMATION

Each party shall use reasonable care to protect nonpublic business information identified as confidential and disclosed for the Project. This obligation does not apply to information already public, independently developed, lawfully received from others, required to be disclosed by law, or reasonably needed for permitting, insurance, financing, subcontracting, professional advice, collection, or dispute resolution.

32. ENTIRE AGREEMENT; NO ORAL PROMISES; SEVERABILITY; WAIVER

The Contract Documents are the entire agreement concerning the Project and supersede prior proposals, discussions, advertisements, or representations not incorporated into them. No oral statement modifies this Agreement. If a provision is unenforceable, it shall be enforced to the maximum lawful extent and the remainder remains effective. Failure to enforce a provision once is not a waiver of future enforcement. Headings are for convenience only.

33. ASSIGNMENT; SUCCESSORS; AUTHORITY

Neither party may assign this Agreement without the other party's written consent, except Contractor may assign receivables or payment rights to a lender or financing source. Each signer represents that he or she has authority to bind the entity identified as Owner or Contractor. This Agreement binds permitted successors and assigns.

SIGNATURES

BY SIGNING, EACH PARTY ACKNOWLEDGES THAT IT HAS READ AND ACCEPTS THIS COMMERCIAL CONSTRUCTION AGREEMENT AND ALL INCORPORATED CONTRACT DOCUMENTS, AND THAT EACH SIGNER HAS AUTHORITY TO BIND THE ENTITY FOR WHICH THE SIGNER EXECUTES THIS AGREEMENT.

CONTRACTOR - Shep Quality Construction LLC	OWNER / CLIENT
Authorized Signature: _____	Authorized Signature: _____
Printed Name: Chris Shephard	Printed Name: _____
Title: _____	Title: _____
Date: _____ Time: _____	Date: _____ Time: _____
Email: shepqualityconstruction@gmail.com	Email: _____

Owner / Client Initial Acknowledgments: Scope and exclusions reviewed _____ Payment schedule reviewed _____
Authorized representative confirmed _____ Plans/specifications identified _____

EXHIBIT A - PROJECT SCOPE / SPECIFICATIONS

This Exhibit is incorporated into the Commercial Construction Agreement.

Proposal / Estimate Date	_____
Proposal / Estimate No.	_____
Project Name	_____
Plans / Drawings	_____
Architect / Designer	_____
Permit Responsibility	Owner / Contractor / Other: _____
Special Inspections	Owner / Contractor / Other: _____
Normal Work Hours	_____

Detailed Scope of Work:

Specific Exclusions:

Owner-Furnished Items / Work:

Contractor Clarifications / Assumptions:

EXHIBIT B - PAYMENT SCHEDULE / ALLOWANCES

Complete this Exhibit or attach an accepted proposal containing the payment schedule.

Mobilization / Deposit	\$ _____ due _____
Draw 2	\$ _____ due at _____
Draw 3	\$ _____ due at _____
Draw 4	\$ _____ due at _____
Draw 5	\$ _____ due at _____
Final Payment	\$ _____ due at _____
Retainage, if any	_____ % (leave blank or write NONE if no retainage)

ALLOWANCES / UNIT PRICES

Item	Allowance / Unit Price	Selection / Quantity	Notes

EXHIBIT C - COMMERCIAL CHANGE ORDER

Use for additions, deletions, substitutions, concealed conditions, schedule changes, or owner directives.

Project	_____
Change Order No.	_____
Date	_____
Requested / Directed By	_____
Reason for Change	_____

Description of Change:

Original Contract Price	\$ _____
Prior Approved Changes	\$ _____
This Change (+/-)	\$ _____
Revised Contract Price	\$ _____
Added / Deducted Calendar Days	_____
Payment Due for This Change	_____

Approval of this Change Order authorizes Contractor to proceed with the described change and adjusts the Contract Price and Contract Time as stated above.

OWNER / CLIENT	CONTRACTOR - SHEP QUALITY CONSTRUCTION LLC
Signature: _____	Signature: _____
Date: _____	Date: _____

EXHIBIT D - COMMERCIAL PROJECT CLOSEOUT

Optional closeout checklist for project administration.

- ☐ Final punch list issued / resolved
- ☐ Final inspection / certificate of occupancy or completion received if applicable
- ☐ Final change orders reconciled
- ☐ Allowance reconciliation completed
- ☐ Owner training / equipment information delivered if included
- ☐ Manufacturer warranties / manuals delivered if applicable
- ☐ Final invoice issued
- ☐ Final payment cleared
- ☐ Final conditional / unconditional lien waivers exchanged as applicable
- ☐ Keys / access devices returned or transferred
- ☐ Project photographs archived

Closeout Notes:

Template prepared for Shep Quality Construction LLC. Commercial project requirements vary by project type, lender, landlord, municipality, and delivery method. Counsel should review this template before use on high-value, public, bonded, design-build, or heavily negotiated projects.