



INSURANCE RESTORATION WORK AUTHORIZATION & CONSTRUCTION AGREEMENT

Indiana Residential Property - Insurance-Funded Repairs

Contractor Shep Quality Construction LLC
Business Address 8250 N 600 W, Ste 31, McCordsville, IN 46055
Consumer Contact Name: _____ Phone: _____
Email: shepqualityconstruction@gmail.com

IMPORTANT: Complete every blank that applies before the Owner signs. A fully executed copy of this Agreement, including the applicable scope/estimate and two Notices of Cancellation, must be provided to the Owner.

1. OWNER, PROPERTY, CLAIM & CONTRACT INFORMATION

Owner/Insured Name(s): _____
Project Property Address: _____
Mailing Address (if different): _____
Owner Phone: _____
Owner Email: _____
Agreement Submitted Date: _____
Offer/Acceptance Expiration Date: _____
Loss Date: _____
Cause/Type of Loss: _____
Insurance Company: _____
Claim Number: _____
Adjuster Name: _____
Adjuster Phone/Email: _____
Mortgage Company/Lienholder: _____
Policy Deductible: _____
Approximate Start: _____
Approximate Completion: _____

2. AGREEMENT AND AUTHORIZATION

Owner represents that Owner owns the Property or has full authority from the owner to enter this Agreement. Owner hires Shep Quality Construction LLC ("SQC" or "Contractor") to provide the labor, materials, supervision, subcontractors, equipment, documentation, emergency services, mitigation, repair, replacement, reconstruction and/or restoration described in this Agreement and the Contract Documents.

The Contract Documents include this Agreement, the written scope or estimate, approved specifications, drawings or plans if any, material-selection sheets, allowances, supplements, written change orders, written emergency-service authorizations, and written

SHEP QUALITY CONSTRUCTION LLC | INSURANCE RESTORATION AGREEMENT | OWNER INITIALS: _____ SHEP QUALITY CONSTRUCTION
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amendments signed or electronically approved by the parties. If there is a conflict, a later signed writing controls only as to the specific subject it changes.

3. SCOPE OF INSURANCE RESTORATION WORK

To the extent the full damage is not reasonably known when this Agreement is signed, the initial scope may state that the Property will be repaired or restored to substantially the same condition that existed immediately before the covered loss, or to a comparable condition, subject to the insurer-approved scope, building-code requirements, material availability, existing conditions, and written changes approved by Owner.

If complete specifications are not attached at signing, SQC will provide the specifications that are reasonably necessary before the affected work begins, and the Owner must separately approve those specifications in writing or electronically before that work begins, except for authorized emergency or temporary services.

Initial known scope / attached estimate reference: _____

4. CONTRACT PRICE AND INSURANCE PROCEEDS

The Contract Price is: \$ _____, OR if the final repair price is not yet fully determinable, the Contract Price shall be the price for the repair/restoration scope authorized by Owner and reflected in the applicable SQC estimate, insurer estimate, agreed supplements, code-required items, approved material selections, and signed/electronically approved change orders, less only written discounts expressly stated by SQC. Owner remains responsible for the Contract Price even if an insurer, mortgage company, lender, or other third party delays, reduces, disputes, or refuses payment, except to the extent Indiana law expressly limits the Owner's obligation for work begun before complete specifications are received.

Insurance is a source of funds, not a guarantor of payment to SQC. SQC is not a party to the insurance policy and does not warrant coverage, claim approval, depreciation recovery, code coverage, matching coverage, or payment amount.

5. DEDUCTIBLE - NO WAIVER OR REBATE

Owner is responsible for the full policy deductible and all lawful non-covered amounts. SQC will not advertise, offer, promise, credit, rebate, absorb, waive, or pay any portion of an insurance deductible in violation of Indiana law. Any Owner-requested upgrade, elective work, or other amount outside insurance coverage is separately payable by Owner.

6. PAYMENT TERMS AND DIRECTION OF INSURANCE FUNDS

Owner agrees that all insurance proceeds, recoverable depreciation, supplemental payments, code-upgrade payments, and other claim funds attributable to SQC's Work are funds intended to pay for the Work and will be promptly applied to amounts due SQC. Owner authorizes the insurer and mortgage company/lienholder to communicate with SQC regarding the construction scope, invoices, inspections, draw requirements, and claim-payment status, but this authorization does not make SQC a public adjuster or assign the insurance policy or claim to SQC.

Payment schedule / draw plan: _____

Unless a different written draw schedule is attached, each invoice is due within five (5) calendar days after issuance or within five (5) calendar days after Owner receives corresponding insurance or mortgage proceeds, whichever occurs first. The deductible and any Owner-funded portion are due as stated in the attached draw schedule. Final payment is due at substantial completion, subject only to a good-faith written punch list for incomplete or defective Contract Work.

Owner shall promptly endorse or otherwise facilitate claim or mortgage checks and required inspections. Owner shall not divert, conceal, spend, or withhold insurance proceeds designated for completed or properly invoiced Work. SQC may request direct payment where permitted, but Owner remains responsible for payment.

7. LATE PAYMENT, STOP-WORK AND COLLECTION

Any undisputed amount not paid when due is delinquent. To the maximum extent permitted by law, delinquent balances accrue interest at 1.5% per month (18% annually) or the maximum lawful rate, whichever is lower. Owner shall reimburse reasonable collection costs, lien-related costs, court costs, and reasonable attorney fees to the extent permitted by law. If payment is late, SQC may suspend scheduling, deliveries, ordering, subcontractors, or Work after notice. Any resulting remobilization, storage, escalation, cancellation, restocking, and delay costs are added to the Contract Price. A suspension for nonpayment extends all project dates.

8. SUPPLEMENTS AND ADDITIONAL DAMAGE

Restoration conditions frequently reveal damage that was hidden, omitted, under-measured, improperly priced, or otherwise not included in the initial estimate. SQC may document reasonably necessary additional work and provide a written supplement or change order. SQC may communicate factual construction information, quantities, photographs, estimates, invoices, building-code information, and repair methodology to the insurer or adjuster. SQC does not represent Owner in adjusting, negotiating, settling, or interpreting insurance coverage and does not act as a public adjuster.

If the insurer declines or does not fully pay a requested supplement, Owner and SQC will determine in writing whether the affected additional work will be deleted, modified, or paid by Owner. SQC is not required to perform disputed additional work without written authorization and payment arrangements.

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9. PUBLIC ADJUSTER DISCLAIMER AND INSURANCE COMMUNICATIONS

SQC is a construction contractor, not the Owner's public adjuster, insurance agent, attorney, or coverage advisor. SQC may inspect the Property; prepare construction estimates; document damage; explain construction methods; identify code or manufacturer requirements; and communicate with insurers, adjusters, engineers, consultants, and mortgage companies about factual matters relating to the Work. SQC will not negotiate or settle the insurance claim for Owner or advise Owner regarding policy coverage. Owner may retain a licensed public adjuster or attorney independently if desired.

10. EMERGENCY AND TEMPORARY SERVICES

When immediate action is reasonably necessary to protect the Property from further damage, Owner may separately authorize emergency or temporary services, including tarping, board-up, water extraction, drying, temporary power, debris removal, structural stabilization, or other protective measures. Owner agrees to pay the reasonable value of authorized emergency/temporary services, including where Indiana cancellation rights are later exercised, as permitted by law.

Emergency/temporary services authorized now? YES ____ NO ____ Owner initials: _____

11. CHANGE ORDERS AND OWNER-REQUESTED UPGRADES

No material change to the Work or Contract Price is binding unless documented in writing and signed or electronically approved by Owner and SQC, except emergency measures reasonably necessary to prevent immediate damage or injury. Text message or email approval from Owner may constitute written approval. Change orders may include overhead, profit, supervision, project management, material escalation, remobilization, and schedule impacts. Oral requests are not authorization.

12. ALLOWANCES, SELECTIONS AND MATERIAL AVAILABILITY

Allowances are budget amounts, not guaranteed final purchase prices. Owner is responsible for any amount above an allowance and receives a credit for any unused allowance amount after applicable taxes, delivery, restocking, and nonreturnable charges. Owner must make selections by SQC deadlines. Late selections extend the schedule and may increase cost. Discontinued, backordered, unavailable, or materially increased products may be replaced with reasonably comparable products with Owner approval, and resulting cost changes are handled by change order.

13. EXISTING CONDITIONS, MATCHING AND CONCEALED CONDITIONS

The Contract Price assumes existing framing, foundations, substrates, walls, floors, roofs, utilities and other concealed conditions are reasonably suitable for the stated Work unless specifically noted otherwise. SQC is not responsible for pre-existing defects, code violations, rot, mold, asbestos, lead, hidden water damage, improper prior work, structural movement, insect damage, underground conditions, or concealed utilities not reasonably discoverable before demolition. Necessary corrective work is additional Work.

Exact matching of existing roofing, siding, masonry, flooring, trim, paint, stain, texture, tile, grout, wood grain, aged materials, dye lots, sheen, weathering, or discontinued products is not guaranteed unless expressly stated in writing. Reasonably comparable material may be used when exact matching is unavailable.

14. PERMITS, CODES, HOA AND INSPECTIONS

Required permits and inspections will be handled as stated in the attached scope or estimate. This Agreement is subject to obtaining required permits before applicable Work begins. Code-required changes not reasonably included in the original scope are additional Work unless already included. HOA or architectural approvals are Owner's responsibility unless SQC expressly agrees otherwise. Governmental, utility, HOA, engineering, or inspection delays extend project dates.

15. START, COMPLETION AND DELAYS

Approximate start and completion dates are good-faith estimates, not guarantees. Dates may be measured from the date SQC receives sufficient insurer authorization/clarity, permits, material selections, required payments, and access. SQC is not liable for delays caused by weather, storms, labor shortages, material shortages, special orders, shipping, inspections, permits, insurer or mortgage processing, engineering, hidden conditions, change orders, Owner decisions, other contractors, utility work, force majeure, safety conditions, or events beyond SQC's reasonable control. All such events extend the schedule for a reasonable period.

16. SITE ACCESS, UTILITIES AND OWNER RESPONSIBILITIES

Owner shall provide SQC and its subcontractors reasonable access to the Property during customary working hours and shall provide available electricity, water, restroom access or agreed temporary facilities, safe work areas, and reasonable storage/staging areas unless otherwise stated. Owner shall secure pets, valuables, firearms, cash, medications, fragile items, and personal property. Owner shall disclose known hazards and utility locations. SQC may install a lockbox or temporary access device with Owner authorization.

17. SUBCONTRACTORS AND VENDORS

Owner is advised and agrees that SQC may use subcontractors, specialty trades, vendors, suppliers, delivery companies, rental companies, consultants, engineers, laboratories, and other third parties to furnish labor, services, materials, equipment, or machinery in connection with the Work. SQC remains responsible for managing its subcontracted scope as required by applicable law and this Agreement.

18. OWNER OR THIRD-PARTY WORK

If Owner or another contractor performs work at the Property, SQC is not responsible for delays, defects, damage, incompatibility, sequencing problems, warranty impacts, or extra costs caused by that work. SQC may suspend affected Work until unsafe or interfering conditions are corrected. Work by others that alters, covers, removes, repairs, or damages SQC's Work may void the applicable SQC warranty to the extent affected.

19. PROTECTION OF PROPERTY AND CONSTRUCTION IMPACTS

Construction is disruptive. Dust, vibration, noise, temporary utility interruptions, lawn/driveway traffic, dumpster placement, nail/screw debris, minor surface disturbance, and temporary exposure may occur despite reasonable care. Owner shall identify septic systems, irrigation, invisible dog fences, low-voltage lines, underground features, and fragile landscaping. SQC is responsible only for direct damage caused by SQC's failure to exercise reasonable care, not ordinary construction effects or pre-existing conditions.

20. HAZARDOUS MATERIALS, MOLD, LEAD AND UNSAFE CONDITIONS

SQC may stop Work if suspected asbestos, lead, mold, microbial growth, chemicals, biohazards, unsafe structural conditions, concealed electrical hazards, or other dangerous conditions are encountered. Testing, abatement, remediation, engineering, and related delay are excluded unless specifically included. Owner shall disclose known hazards. SQC is entitled to a reasonable schedule extension and additional compensation for resulting costs not caused by SQC.

21. SUBSTANTIAL COMPLETION, PUNCH LIST AND FINAL PAYMENT

Substantial Completion occurs when the Work is sufficiently complete for its intended use, even though minor corrective or punch-list items remain. At Substantial Completion, Owner shall provide one written punch list limited to Contract Work that is incomplete or does not materially conform to the Contract Documents. Minor punch-list items do not justify withholding the entire final payment. Owner may withhold only a reasonable amount directly attributable to legitimate unfinished or defective Contract Work. Warranty work is not a basis to withhold otherwise due payment after Substantial Completion.

22. WORKMANSHIP WARRANTY

Conditioned on full payment, SQC warrants its workmanship for one (1) year from Substantial Completion unless a longer written SQC warranty is expressly stated for a specific item. SQC's obligation is limited, at its option, to repair or replace defective SQC workmanship. Manufacturer and supplier warranties are passed through to Owner when transferable. This warranty excludes ordinary wear, maintenance, abuse, neglect, accidents, severe weather, acts of God, building movement, settlement, expansion/contraction, hairline cracking, caulk or grout maintenance, owner/third-party work, product defects covered by manufacturer warranty, pre-existing conditions, and conditions outside SQC's control.

23. NOTICE AND OPPORTUNITY TO INSPECT / CURE

Before Owner hires another contractor to investigate, alter, remove, repair, or replace allegedly defective SQC Work, Owner shall provide SQC prompt written notice describing the issue and a reasonable opportunity to inspect and, if SQC is responsible, cure the condition. Emergency measures necessary to prevent immediate property damage or personal injury are excepted, but Owner must preserve reasonable documentation. Failure to provide a reasonable opportunity to inspect and cure may limit SQC's responsibility to the extent SQC is prejudiced.

24. OWNER INSURANCE AND RISK OF LOSS

Owner shall maintain property and liability insurance appropriate for the Property throughout the project, including coverage for existing structures and Owner's personal property. Unless specifically included, SQC is not responsible for loss to Owner's personal property. Risk of casualty loss caused by events outside SQC's control remains with Owner and/or Owner's insurer. Materials specifically purchased for the project may be invoiced when purchased or delivered as stated in the payment schedule.

25. TERMINATION BY SQC

SQC may terminate this Agreement or suspend Work for material Owner breach, including nonpayment, refusal to authorize necessary changes, denial of access, unsafe conditions, interference with SQC or subcontractors, material misrepresentation, abusive or threatening conduct, failure to make required selections, or unreasonable delay. Owner shall pay for completed Work, stored or ordered materials, noncancelable commitments, demobilization, restocking, subcontractor cancellation charges, and other reasonable costs incurred through termination, plus applicable overhead and profit on Work performed or committed.

26. TERMINATION BY OWNER

Except for statutory cancellation rights stated in this Agreement, Owner may terminate for SQC's material breach only after written notice describing the breach and a reasonable opportunity to cure. If Owner terminates without SQC breach after the statutory cancellation period, Owner remains responsible for completed Work, materials ordered or committed, subcontractor commitments, permits, design/engineering costs, restocking/cancellation charges, demobilization, and other reasonable costs incurred because of the termination.

27. MECHANIC'S LIEN AND PAYMENT RIGHTS

Nothing in this Agreement waives any lien, bond, statutory, collection, or other payment right available to SQC, subcontractors, suppliers, or laborers under Indiana law. Any lien releases will be conditioned on actual receipt and final clearance of the corresponding payment. Owner acknowledges that mortgage-company processing or insurer delay does not waive payment deadlines unless SQC agrees otherwise in writing.

28. LIMITATION OF DAMAGES

To the maximum extent permitted by law, neither party is liable to the other for speculative, punitive, exemplary, or consequential damages arising solely from breach of this construction Agreement, including lost profits or loss of use, except to the extent such limitation is prohibited by law or the damage results from willful misconduct. Nothing in this paragraph limits payment obligations for the Contract Price, approved changes, property damage directly caused by negligent Work, or rights that cannot lawfully be waived.

29. DISPUTES, GOVERNING LAW AND VENUE

Indiana law governs this Agreement. Before filing suit, the parties shall first provide written notice of the dispute and make a good-faith effort to resolve it. Unless applicable law requires otherwise, venue for litigation shall lie in the Indiana county where the Property is located or where SQC maintains its principal place of business. Any contractual attorney-fee provision is enforceable only to the extent allowed by law.

30. PHOTOS, DOCUMENTATION AND ELECTRONIC COMMUNICATIONS

Owner authorizes SQC to photograph and video the Property and Work for estimating, documentation, insurer/mortgage communications, quality control, warranty records, and project administration. SQC may use non-identifying project photographs for portfolio/marketing unless Owner opts out here: OPT OUT _____. Owner agrees that email and text messages may be used for notices, approvals, selections, change orders, and other project communications when they reasonably identify the sender and the subject matter.

31. ENTIRE AGREEMENT; SEVERABILITY; NO ORAL WAIVER

This Agreement and the Contract Documents are the entire agreement regarding the Work and replace prior discussions, proposals, or representations on the same subject. A waiver on one occasion is not a continuing waiver. If any provision is held unenforceable, it will be enforced to the maximum lawful extent and the remaining provisions remain effective. Headings are for convenience only.

32. INDIANA RIGHT TO CANCEL - REQUIRED NOTICE

YOU MAY CANCEL THIS CONTRACT AT ANY TIME BEFORE MIDNIGHT ON THE THIRD BUSINESS DAY AFTER THE LATER OF THE FOLLOWING: (A) the date this contract is signed by you and Shep Quality Construction LLC; or (B) if applicable, the date you receive written notification from your insurance company of a final determination as to whether all or any part of your claim or this contract is a covered loss under your insurance policy. See the attached Notice of Cancellation forms for an explanation of this right.

33. ACKNOWLEDGMENTS AND SIGNATURES

By signing, Owner acknowledges that Owner received a completed copy of this Agreement before signing; reviewed the Contract Documents; received two copies of the Notice of Cancellation; understands that SQC is not a public adjuster; understands that the deductible may not be waived or rebated; authorizes the Work subject to this Agreement; and agrees to pay amounts due under the Contract Documents.

OWNER / INSURED 1

Printed Name: _____

Signature: _____

Date: _____

OWNER / INSURED 2 (if applicable)

Printed Name: _____

Signature: _____

Date: _____

SHEP QUALITY CONSTRUCTION LLC

Authorized Representative: _____

Signature: _____

Date: _____

Consumer Problems/Inquiries Contact

Name: _____

Phone: _____

Email: shepqualityconstruction@gmail.com

34. OPTIONAL EARLY COMMENCEMENT ELECTION

Use only when Owner wants Work to begin before complete specifications are received. Owner elects in writing to authorize commencement of Work before receiving complete specifications. Owner understands that, as provided by Indiana law for insurance-related real property improvements, Owner's obligation for such early-start Work is subject to the scope/specifications applicable under law and, if applicable, agreed to by the insurance carrier. This election does not waive cancellation rights or authorize SQC to act as a public adjuster.

Owner elects early commencement: YES ____ NO ____ Owner initials: _____ Date: _____

EXHIBIT A - INSURANCE RESTORATION SCOPE / ESTIMATE

Attach the current SQC scope/estimate and any insurer estimate relied upon for pricing or comparison. If this page is used without an attachment, describe the known repair/restoration Work in reasonable detail below. Any later supplement or change must be documented in writing.

Estimate/Scope Date: _____

Estimate/Scope Number: _____

Known Areas of Work: _____

Excluded Work: _____

Material/Color Selections: _____

Special Conditions: _____

[illegible]

Owner approval of Exhibit A: Signature/Initials _____ Date _____

EXHIBIT B - PAYMENT / INSURANCE DRAW SCHEDULE

Complete this exhibit for each project. Insurance/mortgage disbursement procedures vary. SQC may revise billing milestones only by written agreement or change order.

Milestone	Percent / Amount	Due Date / Trigger	Notes
Contract / Mobilization			
Materials / Start			
Dry-In / Rough-In			
Midpoint			
Substantial Completion			
Final / Punch List			

Deductible due: _____ Owner-funded upgrades/non-covered work: _____

Mortgage company draw/inspection requirements: _____

Owner approval of Exhibit B: Signature/Initials _____ Date _____

EXHIBIT C - CHANGE ORDER / SUPPLEMENT AUTHORIZATION

Project Address: _____

Change Order/Supplement No.: _____

Date: _____

Requested By: _____

Description of change / additional damage / supplement:

[illegible]

Price change: ADD \$ _____ DEDUCT \$ _____ NO CHANGE _____

Schedule impact:

Owner Signature/Approval: _____ Date: _____

SQC Signature/Approval: _____ Date: _____

NOTICE OF CANCELLATION

COPY 1 - DETACH AND KEEP/USE IF CANCELLING

You may cancel this contract by mailing, delivering, or submitting by electronic mail a signed and dated copy of this cancellation notice or any other written notice to Shep Quality Construction LLC at 8250 N 600 W, Ste 31, McCordsville, IN 46055, or shepqualityconstruction@gmail.com, at any time before midnight on the third business day after the later of the following:

(A) The date this contract is signed by you and Shep Quality Construction LLC.

(B) If applicable, the date you receive written notification from your insurance company of a final determination as to whether all or any part of your claim or this contract is a covered loss under your insurance policy.

If you cancel this contract, any payments made by you under the contract will be returned to you within ten (10) business days following receipt by Shep Quality Construction LLC of your cancellation notice, minus any amounts you may owe for work already done by Shep Quality Construction LLC.

I HEREBY CANCEL THIS TRANSACTION

Date: _____

Consumer Signature: _____

Printed Name: _____

Delivery methods: hand delivery, U.S. mail, or email to shepqualityconstruction@gmail.com.

NOTICE OF CANCELLATION

COPY 2 - DETACH AND KEEP/USE IF CANCELLING

You may cancel this contract by mailing, delivering, or submitting by electronic mail a signed and dated copy of this cancellation notice or any other written notice to Shep Quality Construction LLC at 8250 N 600 W, Ste 31, McCordsville, IN 46055, or shepqualityconstruction@gmail.com, at any time before midnight on the third business day after the later of the following:

(A) The date this contract is signed by you and Shep Quality Construction LLC.

(B) If applicable, the date you receive written notification from your insurance company of a final determination as to whether all or any part of your claim or this contract is a covered loss under your insurance policy.

If you cancel this contract, any payments made by you under the contract will be returned to you within ten (10) business days following receipt by Shep Quality Construction LLC of your cancellation notice, minus any amounts you may owe for work already done by Shep Quality Construction LLC.

I HEREBY CANCEL THIS TRANSACTION

Date: _____

Consumer Signature: _____

Printed Name: _____

Delivery methods: hand delivery, U.S. mail, or email to shepqualityconstruction@gmail.com.

SQC INSURANCE RESTORATION CONTRACT - INTERNAL COMPLETION CHECK

- ☐ Owner name(s) and project address completed.
- ☐ Contractor contact person name, telephone number and email completed.
- ☐ Submitted date and acceptance deadline completed.
- ☐ Known scope or attached estimate identified.
- ☐ Approximate start/completion dates or insurance-approval timing completed.
- ☐ Contract price or lawful insurance-funded pricing method completed.
- ☐ Subcontractor/vendor disclosure included.
- ☐ Both Owner and SQC signatures and dates completed.
- ☐ Two cancellation notices delivered with signed contract.
- ☐ Any early-start election separately initialed if used.
- ☐ Any emergency/temporary services separately acknowledged if used.
- ☐ Owner receives a fully executed copy immediately after signing.

This checklist is administrative and is not part of the negotiated project scope. It is intended to help ensure the contract is completed before signature and delivery.