



RESIDENTIAL CONSTRUCTION AGREEMENT

Indiana Home Improvement / Residential Remodeling Contract

Contractor	Shep Quality Construction LLC ("Contractor")
Contractor Address	8250 N 600 W, Ste 31, McCordsville, IN 46055
Contractor Email	shepqualityconstruction@gmail.com
Consumer Contact	Chris Shephard Phone: _____ Email: shepqualityconstruction@gmail.com
Owner(s)	_____
Owner Mailing Address	_____
Owner Phone / Email	_____
Project Property	_____
Date Submitted	_____
Estimated Start	_____
Estimated Completion	_____
Contract Price	\$ _____

IMPORTANT: All blanks applicable to the Project must be completed before Owner signs. Contractor must sign this Agreement before Owner signs or is required to make a down payment. Owner will receive a fully executed copy immediately after signing.

1. AGREEMENT AND CONTRACT DOCUMENTS

Owner retains Contractor to furnish the labor, services, supervision, materials, equipment, and subcontracted work specifically identified in the Contract Documents for the Project Property. The Contract Documents consist of this Agreement, the accepted estimate/proposal and detailed scope of work, approved plans/specifications, allowance and selection schedules, payment schedule, written change orders, and written addenda. If a conflict exists, a later signed change order controls only as to the specific item changed; otherwise this Agreement controls.

2. SCOPE, SPECIFICATIONS, AND EXCLUSIONS

The Work is limited to the items expressly included in the written scope. Work, materials, repairs, upgrades, code corrections, engineering, testing, design, utility work, landscaping, painting, patching, moving or storage of personal property, or other items not expressly included are excluded unless added by written change order. If complete specifications are not attached at signing, Contractor will provide them before the affected work begins, and the Agreement is subject to Owner's separate written and dated approval of those specifications. Owner may not unreasonably withhold required approvals.

3. CONTRACT PRICE; ALLOWANCES; TAXES

Owner shall pay the Contract Price stated above, as adjusted only by written change orders, allowance reconciliations, credits, or other written adjustments permitted by this Agreement. The Contract Price reflects the full price less any stated discounts. Allowances are budgets, not guaranteed purchase prices. If the actual cost of an allowance item, including applicable tax, delivery, handling, installation impacts, and related labor, is greater or less than the stated allowance, the Contract Price will be adjusted by written change order or final reconciliation. Unless expressly excluded, Contractor will pay taxes legally imposed on Contractor for its Work.



4. PAYMENT SCHEDULE; NO OWNER RETAINAGE

Payments are due according to the payment schedule incorporated into the accepted proposal or Exhibit B. Unless that schedule states otherwise, each draw is due when the applicable milestone has been substantially achieved and Contractor issues the invoice. Owner shall pay each invoice within three (3) calendar days of delivery. Owner may not retain, escrow, back-charge, or withhold amounts for completed or undisputed Work unless expressly permitted by this Agreement or required by law. Any good-faith disputed amount must be identified in writing with reasonable detail within three (3) calendar days after invoice; all undisputed amounts remain due.

Late amounts accrue a service charge of 1.5% per month (18% per year) or the maximum lawful rate, whichever is less, from the due date until paid. Owner is responsible for reasonable collection costs and attorneys' fees incurred by Contractor to collect amounts lawfully due, to the extent permitted by law.

5. DEPOSIT; MATERIAL ORDERS; PAYMENT NOT CONTINGENT ON FINANCING

Any deposit or mobilization payment shown in the payment schedule is earned as applied to preconstruction administration, scheduling, mobilization, procurement, and reserved production capacity, subject to any nonwaivable cancellation rights and refund obligations imposed by law. Unless expressly written otherwise, Owner's payment obligations are not contingent on obtaining financing, selling property, receiving insurance proceeds, receiving funds from a lender, or any other third-party payment.

6. CHANGE ORDERS - NO VERBAL CHANGES

No change to scope, price, material, design, sequence, or Contract Time is binding against Owner unless stated in a written change order signed by Owner. Contractor is not required to perform changed or extra work until the change order is approved and any required payment is received. Electronic signatures, email approvals, or an electronic project-management approval are acceptable if they clearly identify the change and the approving Owner. A change order may include added labor, materials, subcontractor charges, equipment, permit/engineering costs, remobilization, schedule impacts, and Contractor overhead and profit. Emergency work necessary to protect persons or property may be performed as allowed by law and billed at reasonable value.

7. START, SCHEDULING, AND DELAYS

Start and completion dates are good-faith estimates, not guarantees. Contractor is entitled to a reasonable extension of time for causes beyond Contractor's reasonable control, including weather, concealed conditions, labor or subcontractor availability, material shortages or backorders, manufacturer delays, utility delays, permit or inspection delays, governmental action, code official requirements, design/engineering revisions, owner selections, owner-requested changes, lender or HOA delays, casualty, epidemic, transportation disruption, strikes, acts of God, or other force-majeure events. Contractor is not liable for consequential damages, lost use, temporary housing, lost income, or other damages caused by a permitted delay.

8. OWNER SELECTIONS AND DECISIONS

Owner shall make selections, approvals, and decisions by the deadlines supplied by Contractor. If Owner does not timely respond, Contractor may suspend affected Work, resequence the Project, extend the schedule, charge documented remobilization/storage costs, and/or use a commercially reasonable standard selection if the written scope expressly authorizes Contractor to do so. Delays from late selections are Owner-caused delays.

9. PERMITS, LICENSES, HOA, AND CODE REQUIREMENTS

This Agreement is subject to obtaining permits or licenses required for the Work before that Work begins. Responsibility and pricing for permits, plans, engineering, surveys, HOA approvals, and similar approvals shall be as stated in the scope. Owner is responsible for timely HOA submissions/approvals and for restrictions, covenants, or easements not disclosed to Contractor. New requirements imposed by an authority having jurisdiction, an engineer, or inspector that were not reasonably included in the scope are extra Work and require a change order.

10. CONCEALED, UNKNOWN, OR DIFFERING SITE CONDITIONS

The Contract Price is based on visible and reasonably discoverable conditions. Contractor is not responsible for concealed or unknown conditions such as rot, mold, insect damage, unsuitable soils, undocumented utilities, buried debris, inadequate framing, non-code-existing work, hidden water damage, defective prior work, structural deficiencies, hazardous materials, or concealed mechanical/electrical/plumbing conditions. If discovered, Contractor may stop the affected Work, secure the area, and submit a change order. Owner remains responsible for reasonable costs already incurred and for delay impacts.

11. EXISTING CONDITIONS; MATCHING; MOVEMENT; COSMETIC VARIATIONS

Existing structures and finishes are not represented to be plumb, level, square, straight, uniform, or code-compliant. Contractor is not responsible for pre-existing defects or for restoring conditions outside the written scope. Exact matching of existing brick, mortar, siding, roofing, flooring, paint, stain, tile, stone, cabinetry, wood grain, texture, sheen, dye lot, or aged/weathered materials is not guaranteed. Normal shrinkage, expansion, settlement, minor cracking, caulk separation, wood movement, color variation, and other ordinary material characteristics are not defects unless outside applicable performance standards.



12. OWNER-SUPPLIED MATERIALS AND THIRD-PARTY WORK

If Owner supplies materials, fixtures, appliances, plans, engineering, or other items, Owner is responsible for timely delivery, completeness, suitability, compatibility, warranty, damage, and defects. Contractor is not responsible for delay or damage caused by Owner-supplied items or by persons hired directly by Owner. Contractor may refuse to install unsafe, defective, incomplete, noncompliant, or incompatible items. Any removal/reinstallation, troubleshooting, return trip, or schedule impact caused by Owner-supplied items or separate contractors is extra Work.

13. SUBCONTRACTORS AND VENDORS

Owner acknowledges that Contractor may use subcontractors, vendors, suppliers, equipment lessors, and other third parties to furnish labor, services, materials, equipment, or machinery in connection with the Project. Such third parties are not parties to this Agreement with Owner. Contractor remains responsible for managing its contracted scope, subject to the limitations and exclusions in this Agreement.

14. ACCESS, UTILITIES, OCCUPANCY, PETS, AND SITE SECURITY

Owner shall provide safe, continuous, and reasonable access to the Project during normal working hours and access to electricity and water unless otherwise stated. Owner shall keep children, pets, occupants, guests, valuables, and personal property away from active work areas. Owner shall disclose alarms, cameras, gate codes, septic systems, irrigation, invisible fences, private utilities, and known hazards. Contractor may use a lockbox with Owner approval. Contractor is not responsible for unauthorized entry, theft, or loss not caused by Contractor's negligence. Owner acknowledges that remodeling creates dust, noise, vibration, odors, temporary utility interruptions, and inconvenience.

15. PROTECTION, CLEANUP, AND DAMAGE

Contractor will use commercially reasonable protection and will remove construction debris generated by Contractor's Work as stated in the scope. "Clean" means construction-clean, not professional housekeeping unless specifically included. Contractor is responsible for direct physical damage to the Property to the extent caused by Contractor's negligent acts or omissions, but not for pre-existing damage, concealed weakness, ordinary construction vibration, damage caused by necessary access, or damage caused by Owner, guests, pets, separate contractors, or conditions outside Contractor's control.

16. HAZARDOUS MATERIALS, MOLD, LEAD, AND UNSAFE CONDITIONS

Unless expressly included, testing, abatement, remediation, containment, or disposal of asbestos, lead, mold, microbial growth, contaminated soil, chemicals, or other hazardous substances is excluded. Owner shall disclose known hazardous conditions. Contractor may immediately stop affected Work if a suspected hazard or unsafe condition is encountered. Investigation, professional testing, remediation, protective measures, disposal, and resulting delay or remobilization are Owner's responsibility unless caused by Contractor's negligence.

17. INSURANCE; CASUALTY; OWNER PROPERTY

Contractor will maintain insurance required by applicable law and its ordinary business practices. Owner shall maintain property and premises liability insurance adequate to cover the existing structure, contents, and insurable risks during construction, including materials on site to the extent covered by Owner's policy. If the Project is damaged by fire, storm, vandalism, theft, water event, or other casualty not caused by Contractor, repair is extra Work. Owner is responsible for removing or protecting valuables and personal property from work areas.

18. DESIGN, ENGINEERING, SURVEYS, AND PROFESSIONAL SERVICES

Unless expressly included, Contractor is not acting as an architect, engineer, surveyor, geotechnical professional, environmental consultant, or code consultant. Contractor may rely on plans, specifications, surveys, engineering, and information provided by Owner or third parties. Changes required because such information is incomplete, inaccurate, or revised are extra Work unless caused by Contractor.

19. SUBSTANTIAL COMPLETION; PUNCH LIST; FINAL PAYMENT

Substantial Completion occurs when the Project or a designated portion is sufficiently complete for its intended use, even though minor corrective or punch-list items remain. Occupancy, use, installation of Owner's contents, or Contractor's written notice of substantial completion may evidence Substantial Completion. Within five (5) calendar days after notice, Owner shall provide one consolidated written punch list of incomplete or corrective items within Contractor's scope. Cosmetic preferences, added work, or conditions visible and accepted during the Project are not punch-list items. Contractor will address legitimate punch-list items within a reasonable time. Final payment is due as stated in the payment schedule and is not conditioned on completion of de minimis punch-list items if Contractor has made reasonable provision to complete them.



20. LIMITED WORKMANSHIP WARRANTY

Conditioned on full payment, Contractor warrants its workmanship for one (1) year from Substantial Completion unless a longer written warranty is stated for a specific item. Contractor's obligation is limited, at Contractor's option, to repair or replace defective Contractor workmanship. Manufacturer and supplier warranties, if any, are passed through to Owner. The warranty excludes normal wear, abuse, lack of maintenance, movement/settlement, moisture intrusion from conditions outside Contractor's scope, acts of God, pests, owner or third-party work, owner-supplied materials, manufacturer defects, and normal cracking/separation in materials subject to movement. Warranty work does not restart or extend the original warranty period.

21. NOTICE AND OPPORTUNITY TO INSPECT / CURE

Before Owner hires another contractor to correct an alleged defect (except a true emergency necessary to prevent imminent injury or material property damage), Owner shall provide Contractor written notice describing the claimed defect and a reasonable opportunity to inspect and, if Contractor is responsible, cure it. Owner shall take reasonable steps to mitigate damage. Costs incurred by Owner without providing this opportunity are not chargeable to Contractor to the extent prohibited by this section or applicable law.

22. SUSPENSION AND STOP-WORK RIGHTS

Contractor may suspend Work upon written or electronic notice if Owner fails to make payment when due, denies required access, fails to make selections or approvals, creates unsafe conditions, interferes with Contractor or subcontractors, engages another person to alter Contractor's Work, or otherwise materially breaches this Agreement. The schedule will be extended by the suspension plus reasonable remobilization time. Owner shall pay reasonable demobilization, storage, protection, remobilization, escalation, and delay costs caused by the suspension.

23. TERMINATION

Owner may terminate for Contractor's material breach only after written notice describing the breach and a reasonable opportunity to cure, except where a cure is legally impossible. Contractor may terminate for Owner's material breach, including nonpayment, after written notice and a reasonable opportunity to cure. If Owner terminates without Contractor default after any applicable cancellation period has expired, Owner shall pay for Work performed; materials ordered or committed; cancellation/restocking charges; subcontractor commitments; design/preconstruction services; demobilization; and reasonable overhead and profit allocable to Work performed or committed, to the extent permitted by law.

24. MECHANIC'S LIEN AND PAYMENT REMEDIES

Contractor does not waive any mechanic's lien, bond, collection, or other payment remedy available under Indiana law. Owner acknowledges that contractors, subcontractors, laborers, and suppliers may have statutory lien rights. Nothing in this Agreement expands lien rights beyond those provided by law. Contractor may provide any statutory notices required to preserve lien rights.

25. LIMITATION OF DAMAGES

To the fullest extent permitted by law, neither party shall be liable to the other for speculative, punitive, or consequential damages arising from the Project, including lost profits, lost rental income, loss of use, or emotional distress, except where such limitation is prohibited by law. This section does not waive payment obligations, rights arising from fraud or intentional misconduct, or remedies that cannot lawfully be limited.

26. DISPUTE RESOLUTION; GOVERNING LAW

The parties will first attempt in good faith to resolve disputes through direct written notice and a meeting or telephone conference. If unresolved, either party may request nonbinding mediation before filing suit, unless immediate court action is reasonably necessary to preserve lien rights, collect an undisputed amount, seek injunctive relief, or meet a statutory deadline. Indiana law governs. Venue shall lie in a court of competent jurisdiction permitted by Indiana law. The prevailing party in an action to enforce payment or a written contractual obligation may recover reasonable attorneys' fees and costs to the extent permitted by law.

27. COMMUNICATIONS; ELECTRONIC RECORDS AND SIGNATURES

The parties may communicate and approve documents by email, text message, electronic signature platform, or project-management system. Electronic signatures and records are intended to have the same force as originals to the extent allowed by law. Change orders remain subject to the written-consumer-signature requirement stated above. Notices under the cancellation provision must comply with the attached statutory notice.

28. PHOTOGRAPHS AND PROJECT DOCUMENTATION

Contractor may photograph or video the Project for documentation, scheduling, quality control, warranty, dispute resolution, and internal records. Contractor may use non-identifying Project images for portfolio or marketing purposes unless Owner opts out in writing before Work begins. Contractor will not knowingly publish Owner's personal information, address, faces, license plates, or other identifying details without separate permission.



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

The Contract Documents are the entire agreement regarding the Project and supersede prior discussions, representations, advertisements, or proposals not incorporated into them. No salesperson, employee, subcontractor, or other person may alter the Agreement orally. If any provision is unenforceable, it will be modified only to the minimum extent necessary and the remainder remains effective. A party's failure to enforce a provision once is not a waiver of future enforcement.

30. OWNER REPRESENTATIONS

Owner represents that Owner owns the Property or has authority from all required owners to enter this Agreement; has disclosed known material conditions that may affect the Work; will not direct Contractor to violate law or permit requirements; and has reviewed the scope, allowances, exclusions, payment schedule, cancellation rights, and incorporated documents before signing.

31. INDIANA THREE-BUSINESS-DAY CANCELLATION RIGHT

You may cancel this contract at any time before midnight on the third business day after the later of: (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.

SIGNATURES

BY SIGNING, EACH PARTY ACKNOWLEDGES THAT IT HAS READ AND ACCEPTS THIS AGREEMENT AND ALL INCORPORATED CONTRACT DOCUMENTS. CONTRACTOR MUST SIGN BEFORE OWNER SIGNS OR IS REQUIRED TO MAKE A DOWN PAYMENT.

CONTRACTOR - Shep Quality Construction LLC

OWNER 1

Authorized Signature: _____

Signature: _____

Printed Name: Chris Shephard

Printed Name: _____

Date: _____ Time: _____

Date: _____ Time: _____

OWNER 2 (if applicable)

Signature: _____

Printed Name: _____

Date: _____ Time: _____

OWNER INITIAL ACKNOWLEDGMENTS

- Owner received a completed copy of this Agreement before signing. Owner Initials: _____
- Owner received two detachable copies of the Notice of Cancellation. Owner Initials: _____
- Owner reviewed the scope, exclusions, allowances, and payment schedule. Owner Initials: _____
- Owner understands that changes must be in writing and signed/approved as required by Indiana law. Owner Initials: _____
- Owner understands that third-party subcontractors/vendors may furnish labor, services, materials, equipment, or machinery for the Project. Owner Initials: _____



EXHIBIT B - PAYMENT SCHEDULE / ALLOWANCES

This Exhibit is incorporated into the Residential Construction Agreement. Attach the accepted Shep Quality Construction estimate/proposal or complete the fields below. If an attached proposal is used, identify it by date and total price and initial each page.

Deposit / Draw 1	\$_____ due _____
Draw 2	\$_____ due at _____
Draw 3	\$_____ due at _____
Draw 4	\$_____ due at _____
Draw 5	\$_____ due at _____
Final Payment	\$_____ due at _____

Allowances / Selections:

Item	Allowance	Selection Due	Notes
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Owner Initials: _____ Contractor Initials: _____



EXHIBIT C - CHANGE ORDER

Project Property

Change Order No.

Date

Requested By

Owner / Contractor / Other: _____

Description of Change:

Reason / Condition Requiring Change:

Added / Deleted Materials and Labor:

Schedule Impact:

Original Contract Price

\$ _____

Prior Approved Changes

\$ _____

This Change (+/-)

\$ _____

Revised Contract Price

\$ _____

Payment Due for Change

Owner authorizes Contractor to perform this changed Work and acknowledges that the Contract Time may be adjusted as stated above. No verbal authorization changes the Agreement.

Owner Signature: _____

Contractor Signature: _____

Printed: _____

Printed: Chris Shephard

Date: _____

Date: _____



DETACHABLE NOTICE OF CANCELLATION - COPY 1

Cut or detach this page and retain/use if you elect to cancel.



NOTICE OF CANCELLATION

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

Consumer Printed Name

Project Property



DETACHABLE NOTICE OF CANCELLATION - COPY 2

Cut or detach this page and retain/use if you elect to cancel.



NOTICE OF CANCELLATION

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

Consumer Printed Name

Project Property
