

Attachment A

PHFA addendum and Supplemental General Conditions

PHFA form of Payment and Performance Bond

HUD Safe Harbor Contractor Fee Limits

PHFA Contractor Development Cost Limits

2.20 SUPPLEMENTAL GENERAL CONDITIONS

Modifications to AIA Document A201 General Conditions of the Contract for Construction, 2017 Edition and AIA Document A101- 2017 Exhibit A Insurance and Bonds.

These Supplemental General Conditions are to be considered an Addendum to the AIA Document A201 General Conditions of the Contract for Construction.

ARTICLE 1 – GENERAL PROVISIONS

1.1 Modifications to Paragraph 1.1 – Basic Definitions

1.1.8 Add at the end of paragraph: “PHFA may, in its discretion, assume the role of Initial Decision Maker.”

1.1.9 Add: PHFA

PHFA is the Pennsylvania Housing Finance Agency, 211 North Front Street, Harrisburg, PA 17101

1.2 Additions to Paragraph 1.2 – Correlation and Intent of the Contract Documents

1.2.4 Add: Clearances and Interference

It shall be understood that the Architect’s drawings are diagrammatic. The Mechanical and Electrical Subcontractors shall coordinate with the Contractor in determining the routing of pipelines, ducts and conduits and locating equipment. Any variations required for conformance to the intent of the diagrammatic drawings shall be made without additional cost. Where there are intersections involving various ducts, piping and equipment, particular consideration shall be given to clearances required for future maintenance and service. Where tight conditions or interference develop, the Contractor shall confer with the Subcontractors whose work is affected to reach an acceptable solution. All Contractors are deemed to have taken into consideration that interference will occur and it shall be understood that extras for necessary variations will not be considered. The Contractor and all Subcontractors shall verify measurements at the site. The Mechanical Subcontractor is responsible for the preparation of coordination drawings to then be used by all other Subcontractors.

1.2.5 Add: Standard of Quality

The various materials and products contained in the specifications are given to establish a standard of quality and price. It is not intended that the Contractor be limited to one (1) product. Where proprietary names are used, whether or not followed by the words “or approved equal”, other products of a reputable manufacturer may be substituted, provided they are equal quality and will perform the same function. The prior approval for material and product substitutions is required by the Architect and PHFA.

ARTICLE 2 – OWNER

2.2 Modification to Paragraph 2.2 - Evidence of the Owner’s Financial Arrangements

2.2.1 Add:

PHFA Loan Closing shall constitute such evidence of financial arrangements for the Work.

2.3 Modification to Paragraph 2.3 – Information and Services Required of the Owner

2.3.4 Add at the end of subparagraph 2.3.4:

“and to any obvious defect or deficiency.”

2.4 Modifications to Paragraph 2.4 – Owner’s Right to Stop the Work

Insert the words: “with PHFA’s written approval” after the word “Owner” in the first sentence. In the last sentence, omit the words “except to the extent required by section 6.1.3”.

2.5 Modifications to Paragraph 2.5 – Owner’s Right to Carry out the Work

Insert the words: “with PHFA’s written approval” after the words “the Owner may” in the first sentence and after the word “Architect” in the third sentence.

Addition to Paragraph 2.5

2.5.1.1 Add:

Default under this section constitutes default under the Contractor’s Payment and Performance Bond or Letter of Credit and Owner shall have whatever rights are provided thereunder.

ARTICLE 3 - CONTRACTOR

3.4 Modification to Paragraph 3.4 – Labor and Materials

3.4.2 In the first sentence, after the words “approved by the Architect”, insert “and PHFA”.

3.5 Addition to Paragraph 3.5 – Warranty

3.5.3 Add:

The Contractor shall furnish to the Architect for Transmittal to the Owner and PHFA, written Warranty against defective workmanship and materials for all Work included in the Contract Documents and all Work authorized by field or change orders as listed in the PHFA Warranty, Guarantee and Manual Requirements, and other warranties specified in the Contract Documents.

3.10 Modification to Paragraph 3.10 – Contractor’s Construction and Submittal Schedules

3.10.1 Delete in its entirety and substitute the following:

Within fifteen (15) days after award of the Construction Contract, the Contractor shall submit a construction schedule to the Architect in a form approved by PHFA. The schedule shall show all Work to be performed and the projected time of completion of each specified section of Work. The schedule shall be revised by the General Contractor and resubmitted to the Architect at each Payout Meeting. The Architect shall provide two (2) copies of the revised schedule to PHFA’s Technical Services Representative at the Development.

3.12 Modifications and Additions to Paragraph 3.12 – Shop Drawings, Product Data and Samples

3.12.1 Add the following

The Contractor shall submit three (3) copies of all required Shop and Erection drawings and catalogue cuts to the Architect.

The Architect shall be allowed a minimum of ten (10) working days for review and approval.

3.12.2 Add the following

The Product Data shall include operating, maintenance and installation manuals for all materials, equipment and appliances furnished on the Development. A list of names, addresses and telephone numbers of all Subcontractors, Manufacturers and Distributors shall also be submitted to the Architect.

3.12.11 Add: Samples and Color Chart

The Contractor shall obtain from appropriate Subcontractors and Material suppliers, the manufacturer’s color selections or physical samples for all materials requiring color selection for submission to the Architect. The Architect shall then prepare a complete color chart to be kept in the construction field office for the duration of construction.

3.12.12 Add: As-Built Drawings (Permanent Record Drawings)

Throughout the process of construction, the Contractor shall mark up a set of Record Drawings (prints) recording all changes that job conditions require, and which are not shown on the Contract Drawings. At the completion of the Development, the set of marked-up drawings shall

be delivered to the Architect in good legible condition. Final payment shall not be made until completed Record Drawings are submitted to the Architect.

3.12.13 Add: Record (As-Built) Site Drawings

Upon actual completion date the Contractor shall furnish to the Owner, the title insurer and PHFA a site drawing showing and dimensionally locating all improvements including buildings, site work, utility lines and mains and easements on the site.

3.18 Modifications to Paragraph 3.18 – Indemnification

3.18.1 In the first sentence, after the words “the Owner” insert “PHFA”.

ARTICLE 4 – ARCHITECT

4.2 Modifications and Addition to Paragraph 4.2 –Administration of the Contract

4.2.2 In the first sentence after the word “Owner” insert the words “but not less than once every two weeks”.

At the end of subparagraph 4.2.2 add the following:

After each site visit the Architect shall promptly furnish reports to the Owner and PHFA detailing the progress, problems, omissions, substitutions, defects and deficiencies noted in the Work. The Architect shall periodically observe, as often as the nature of the Work requires, but not less than once every two weeks, the following items of Work: completion of excavation, erection of forms and reinforcing, pouring of concrete and setting openings, sleeves and inserts, installation of insulation, mechanical and electrical trades before their Work is covered, installation of utility service entries, machinery and equipment and the testing of the machinery and equipment.

4.2.5 Delete the period and insert a comma at the end of the Paragraph and add:

Subject to the approval of PHFA and as prescribed under Article 2 of PHFA’s Addendum to the AIA Documents A101 and A201, 2017 Edition.

4.2.9 Delete subparagraph and substitute:

The Architect, PHFA’s Technical Services Representative, the Owner and the Contractor shall conduct observation of completed work to determine the date or dates of Substantial Completion and the date of final inspection. The Contractor shall compile and forward all warranties and related documents, including material quantity take-offs as required by the Contract Documents, to the Architect. Upon receipt of said documents, the Architect shall forward the warranties and related documents to the Owner and to PHFA for their records. The Architect shall issue a final Certificate of payment upon compliance with all requirements of the Contract Documents.

4.2.15 Add: As-Built Drawings

Upon final completion of construction, the Architect shall provide *to the Owner and PHFA, an electronic set of as-built drawings (PDF’s on a CD)*, based on the Contractor’s Record Drawings (3.12.12 and 3.12.13) indicating all changes made during construction.

ARTICLE 5 - SUBCONTRACTORS

5.2 Modifications to Paragraph 5.2 – Award of Subcontracts and Other Contracts for Portions of the Work

5.2.1 In the first sentence after the word “Owner” insert the words “and PHFA”. In the second sentence after the word “Owner” insert a comma and the word “PHFA”. In the third sentence after the word “Owner” insert a comma and the word “PHFA”.

5.2.2 In the first sentence after the word “Owner” insert a comma and the word “PHFA”.

5.2.3 In the first sentence after the word “Owner” delete the word “or” and insert a comma, and after the word “Architect” add the words “or PHFA”. After the first sentence delete the remainder of the paragraph.

5.2.4 In the first sentence after the word “Owner” delete the word “or” and insert a comma, and after the word “Architect” insert “or PHFA”.

5.3 Modifications to Paragraph 5.3 – Subcontractual Relations

In the first and second sentences, after the word “Owner” insert a comma and add the word “PHFA”. In the third sentence, delete the words “Where appropriate”.

ARTICLE 6 – CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

Article 6 is applicable only to public housing authority or state funded Work, when separate Contracts are required. For all other Developments, Article 6 shall be deleted in its entirety.

ARTICLE 7- CHANGES IN THE WORK

7.1 Modifications to Paragraph 7.1 - General

7.1.2 In the first sentence after the word “Contractor” insert a comma and add word “PHFA”.

7.2 Modification to Paragraph 7.2 - Change Orders

7.2.1 Add: .4: All changes to the Work shall be done through Change Order.

7.3 Construction Change Directives – Delete paragraphs 7.3.1 through 7.3.10 in their entirety.

ARTICLE 8- TIME

8.2 Modifications to Paragraph 8.2 – Progress and Completion

8.2.4 Add:

Prior to commencement of construction, Owner and/or Contractor must notify PHFA of the anticipated date of construction start. Upon start of construction, PHFA’s Technical Services Representative will conduct periodic on site development inspections to determine quality of Work in progress and schedule compliance.

8.3 Modification and Addition to Paragraph 8.3 – Delays and Extensions of Time

8.3.1 In the first sentence after the words “causes that the Contractor asserts, and the Architect” add “and PHFA”.

ARTICLE 9 – PAYMENTS AND COMPLETION

9.2 Modifications to Paragraph 9.2 – Schedule of Values

In the first sentence after the words “the Architect” add the words “or PHFA”.

9.3 Modifications to Paragraph 9.3 – Applications for Payment

9.3.1 In the first sentence after the word “Architect” insert the words “and PHFA”. In the second sentence, after the word “Owner”, insert a comma and add the word “PHFA”.

9.3.2 Modify subparagraph 9.3.2 to read:

Payment may be made for stored materials and equipment, if approved in advance by the Owner and PHFA, only if the materials and equipment are stored on site or in a bonded warehouse within 25 miles of the Site and are scheduled to become a part of the permanent structure within 30 days. Payment for materials and equipment shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner and PHFA to establish the Owner’s title to such materials and equipment or to otherwise protect the Owner’s and PHFA’s interest.

9.6 Modifications to Paragraph 9.6 – Progress Payment

9.6.1 Modify subparagraph 9.6.1 to read:

After the Architect has issued a Certificate for Payment and PHFA has reviewed and approved the Contractor’s request for payment, PHFA (on behalf of the Owner) shall make payment in the manner and within the time provided in the Contract Documents.

9.6.8 In the first sentence after the words “indemnify the Owner”, insert “and PHFA”.

9.8 Modifications to Paragraph 9.8 – Substantial Completion

9.8.3 In the first sentence, after the word “Architect” add the words “together with PHFA”.

9.9 Modifications to Paragraph 9.9 – Partial Occupancy or Use

9.9.1 In the first sentence, after the word “insurer”, add a comma and the word “PHFA”.

9.9.2 In the first sentence, after the word “Owner”, add a comma and the word “PHFA”.

9.10 Modifications to Paragraph 9.10 – Final Completion and Final Payment

9.10.1 On line 7, delete the period after the word “payable” and insert the following language: “subject to the approval of PHFA under Article 2 of PHFA’s Addendum to the AIA documents A101 and A201, 2017 Edition”.

9.10.2 In the first sentence, at two locations in item (6), after the word “Owner”, insert the words “or PHFA”. Delete the second sentence and replace with the following: “if a Subcontractor refuses to furnish a release or waiver required by the Owner or PHFA, the Contractor shall furnish cash, a letter of credit or bond satisfactory to the Owner and PHFA to indemnify the Owner and PHFA against such lien”.

9.10.3 At the end of the first sentence, after the word “accepted”, add a comma and the following: “subject to approval of PHFA under Article 2 of PHFA’s Addendum to the AIA documents A101 and A201, 2017 Edition”.

ARTICLE 10 – PROTECTION OF PERSONS AND PROPERTY

10.2 Modification to Paragraph 10.2 –Safety of Persons and Property

10.2.1.1 After the words “employees on the work”, insert the words “Passersby, Inspectors”

ARTICLE 11 – INSURANCE AND BONDS

11.1 Modifications to Paragraph 11.1 – Contractor’s Insurance and Bonds

11.1.1 In the second sentence, after the word “located” add “subject to PHFA’s approval and in accordance with the limits of liability required by PHFA”.

ARTICLE 12- UNCOVERING AND CORRECTION OF WORK

12.1 Modifications to Paragraph 12.1 – Uncovering of Work

12.1.1 At two locations in the first sentence, after the word “Architect’s” insert the words “or PHFA’s”.

12.1.2 In the first sentence, after the word “Architect” insert the words “or PHFA”.

12.2 Modifications to Paragraph 12.2 – Correction of Work

12.2.1 - Before Substantial Completion

In the first sentence, after the word “Architect” insert the words “or PHFA”.

12.2.2 After Substantial Completion:

12.2.2.1 In all sentences, after the word “Owner” insert the words “or PHFA”.

12.3 Modifications to Paragraph 12.3 – Acceptance of Non-conforming Work

In the first sentence, after the words “the Owner may do so” insert “subject to the approval of PHFA”.

ARTICLE 13- MISCELLANEOUS PROVISIONS

13.4 Modifications to Paragraph 13.4 – Tests and Inspections

13.4.1 In the second sentence, after the word “approvals” delete period and add “unless otherwise designated as the Owner’s responsibility”. At the end of the paragraph add “copies of all test results shall be furnished to the Owner, Architect and PHFA. Tests are required for, but not limited to, soil bearing and concrete. All testing shall be in conformance with ASTM Specifications”.

13.4.7 Add: Testing Laboratory

All testing laboratories must be approved by the Architect. The name of the laboratory, together with a copy of the inspection report by the National Bureau of Standards, Washington, D.C., may be required at PHFA’s discretion.

ARTICLE 14- TERMINATION OR SUSPENSION OF THE CONTRACT

14.1 Modifications to Paragraph 14.1 – Termination by the Contractor

14.1.1 In the first sentence, after the first time the word “Contractor” appears, insert “upon seven (7) days written notice to the Owner, the Architect and PHFA”.

AIA DOCUMENT A101-2017 EXHIBIT A INSURANCE AND BONDS

ARTICLE A.2 - OWNER’S INSURANCE

A.2.3 Modifications to Paragraph A.2.3 – Required Property Insurance

A.2.3.1 Delete entirely and insert the following:

The Owner shall purchase and maintain “all risk” property insurance upon the entire Work at the site excepting stored materials that are not the property of the Owner. This insurance shall be in the amount of the full insurable value of the Work and shall include the interests of the Owner and Contractor. The Contractor, Subcontractors and Sub-subcontractors shall be responsible for insuring all stored materials not permanently incorporated into the Work for physical loss or damage to their full insurable value.

A.2.3.1.4 Delete entirely and replace with the following:

The General Contractor shall pay the Owner’s deductible costs for all losses caused by the General Contractor and claimed on the Owner’s “all risk” insurance for this Development.

ARTICLE A.3 - CONTRACTOR’S INSURANCE AND BONDS

A.3.1 Modifications to Paragraph A.3.1.1 - Certificates of Insurance

A.3.1.1 At all locations, following the words “the Owner” add “and PHFA”.

PENNSYLVANIA HOUSING FINANCE AGENCY

**5.04 ADDENDUM TO AIA DOCUMENTS A101 AND A201, 2017 EDITION
FOR PHFA FUNDED DEVELOPMENTS (Revised 9/19)**

This Addendum shall amend the American Institute of Architects Document A101, Standard Form of Agreement Between Owner and Contractor, 2017 Edition ("the Agreement") and the American Institute of Architects Document A201, General Conditions of the Contract for Construction, 2017 Edition, between the parties named herein and shall be binding unto the parties as part of the whole. This Addendum supplements and amends the Agreement to include the following:

Contractor and Owner agree that the provisions of this Addendum and the Agreement and the rights and obligations of the parties hereunder shall at all times be subject to and in conformity with the provisions of the Housing Finance Agency Law (the "Act") and the rules, regulations and guidelines of the Pennsylvania Housing Finance Agency ("PHFA"); and

The provisions of this Addendum and any applicable attachments incorporated herein supersede and void all inconsistent provisions in the Agreement or in any prior contract or understanding between the parties for the services to be performed hereunder.

ARTICLE I - DEFINITIONS

1. Actual Construction Completion Date - The date upon which PHFA certifies in writing that the entire Development, as further described in the Contract Documents, is completed (except for minor incomplete items) in accordance with the Contract Documents, and all units are ready for occupancy.
2. Contract Documents - AIA Document A101 Standard Form of Agreement Between Owner and Contractor, 2017 Edition, AIA Document A201 General Conditions of the Contract for Construction, 2017 Edition, the Pennsylvania Housing Finance Agency Addendum to AIA Documents A101 and A201, the PHFA Supplemental General Conditions, the drawings, the specifications, PHFA Submission Guide for Architects, The General Payout Procedure for Mortgagors and Contractors, and all Addenda issued prior to and all modifications issued after execution of the Construction Contract; and any other items that may be specifically stipulated as being included in the Contract Documents. Any other agreement or understanding between the parties shall not be considered part of the Contract Documents, will not be included in the Contract Sum and will not be eligible for project funds.
3. Latent Defects - Defects in materials, equipment or completed work which reasonably careful observation could not have discovered.

ARTICLE II - PAYMENTS

1. All amounts to be paid by Owner to Contractor under the Contract Documents shall be paid in accordance with the PHFA Application for Payment submitted to Architect by Contractor and Certificate for Payment issued by Architect and are subject to the approval of PHFA. In the event Contractor fails to comply with all federal, state and local laws, ordinances, rules or regulations, with all PHFA requirements or guidelines or with all terms and conditions of the Contract Documents, progress payments may be withheld until Contractor has fully complied with the aforementioned, subject to the approval of PHFA, or, if payment has been previously made, such funds may be subject to reimbursement upon demand.
2. The period covered by each Application for Payment shall be one month ending on the last day of the month unless otherwise agreed upon by all parties.
3. Subject to the provisions of the Contract Documents, the amount of each progress payment shall be based on:
 - A. The total schedule of values of the work acceptably completed as approved by PHFA, Architect, Owner and any other necessary contract parties; plus

- B. The value of materials and equipment delivered and suitably stored at the site that shall become part of the permanent structure within thirty (30) days after delivery; less
 - C. **At a minimum, ten percent (10%) of each payment request for a construction item shall be retained by PHFA.** The percentage retained may be reduced to five percent (5%) after construction has been fifty percent (50%) completed. Upon Substantial Completion, the percentage retained may be reduced to two and one-half percent (2.5%). In the event of multiple Certificates of Substantial Completion being issued for phased projects, reduction to two and one-half percent (2.5%) will be considered only after the final phase of the whole is accepted. The balance due to Contractor hereunder shall be payable at final loan closing provided the work is fully completed and Contractor has complied with all provisions of the Agreement and this Addendum to Owner's and PHFA's satisfaction, including, but not limited to, submission and approval of the Contractor's Certificate of Actual Cost to PHFA at final loan closing and receipt of all certificates of occupancy for all units by Owner and PHFA.
4. All payouts are subject to Contractor's compliance with all wage determination processing and record keeping requirements. In the event any submitted supporting material is incomplete or deemed to be inaccurate or inconsistent with the requisite processing requirements, Contractor's payouts may be withheld until such discrepancies and processing requirements are met to PHFA's satisfaction. Under no circumstances shall such suspension or withholding of funding relieve Contractor from performance under the Agreement.

ARTICLE III - SCOPE OF AGREEMENT

Changes in the drawings and specifications or any terms of the Contract Documents, orders for extra work, alterations or additions to the work or any other changes which materially alter the obligations of Owner or alter the design or materially reduce the quality or amenities of the Development shall be submitted to Owner and PHFA for written approval. Contractor covenants to fully indemnify Owner and PHFA against losses or damages or suspension of warranties and other possible consequence associated with any changes made without prior written approval of Owner and PHFA.

ARTICLE IV - TIME

Contractor shall promptly proceed with and complete the Development within the time period specified in the Contract Documents, in accordance with the approved drawings and specifications and the Contract Documents.

ARTICLE V - REPRESENTATIONS AND WARRANTIES

Contractor represents and warrants to Owner and PHFA that:

- 1. Contractor is financially solvent, able to pay its debts as they mature, and possesses sufficient working capital to complete the Agreement; that it is able to furnish the plant, tools, materials, supplies, equipment, and labor, and is experienced in and competent to perform the work; and that it is qualified to do the work and is authorized to do business in the Commonwealth of Pennsylvania (the "Commonwealth"); and
- 2. Contractor holds a license, permit or other special license, to perform the services included in the Agreement, as required by applicable law, or lawfully employs or works under the general supervision of the holder of such license, permit or special license; and
- 3. Contractor is not currently under suspension or debarment by the Commonwealth, any other state, or the federal government and Contractor has paid (or has made arrangements to pay) all taxes due and owing to the Commonwealth; and
- 4. Contractor has inspected the development site within thirty (30) days of signing this Addendum and represents and warrants that the site conditions have not changed so as to result in an increase in the scope of work or in the Contract Sum; and
- 5. Contractor understands that the Development under the Agreement is to be financed by loan(s) from PHFA to Owner and the loan(s) will be secured by mortgages, and that the terms of the loan(s) are set

forth in loan documents between Owner as borrower and PHFA as lender. Contractor further understands that the loan documents provide that in the event of the failure of Owner to perform its obligations to PHFA thereunder, PHFA may as attorney-in-fact for Owner elect to undertake the completion of the Development in accordance with the Contract Documents.

The warranties in the Agreement shall not limit or exclude any other warranties, express or implied, which arise by operation of law.

ARTICLE VI - GUARANTEE PERIOD

Contractor covenants that it shall correct, at its sole expense, any of the work that is found to be not in accordance with the requirements of the Contract Documents, including any Latent Defects resulting from faulty materials or workmanship which appear within one (1) year from the Actual Construction Completion Date (the "Guarantee Period"). Upon written notice from Owner or PHFA, Contractor shall proceed with due diligence, at its sole expense, to replace any defective material or perform any labor necessary to correct any defect in the work. In case Contractor fails to correct or commence correction of defects within seven (7) days after receipt of written notice to replace defective materials or perform any labor required, Owner or PHFA may furnish whatever material or labor it deems necessary in its sole opinion. If Owner or PHFA determines that the condition poses a threat to the health, safety or welfare of the occupants, Contractor shall correct any defects within forty-eight (48) hours of written notice. Contractor agrees to make prompt reimbursement upon demand. If Contractor fails to promptly and properly perform, as determined by Owner and PHFA, during this Guarantee Period, Owner and PHFA may reduce the Contract Sum in an amount equal to the cost of curing any Latent Defects.

ARTICLE VII - REQUIREMENTS OF CONTRACTOR

1. Contractor agrees, upon request by Owner and at the sole expense of Contractor, to secure occupancy permits from any state or local authority necessary to secure from PHFA the required permission for occupancy of the buildings in the Development. Owner agrees to be responsible for the maintenance and utilities for all such dwelling units turned over to and accepted by Owner. Contractor further agrees that it will at its own expense provide safe and adequate approaches and assure uninterrupted access to all dwelling units which have been approved for occupancy by PHFA or turned over to and accepted by the Owner.
2. Upon the Actual Completion Date, Contractor shall furnish to Owner, PHFA and title insurer, a Record Drawing showing all improvements constructed thereon, and showing the location of all water, sewer, gas and electric lines and mains, and of all existing utility easements.
3. Contractor shall obtain and pay for and keep in effect from the inception of construction, or from such time as PHFA may require, insurance in a form and amount acceptable to PHFA. If Contractor fails to provide and maintain such insurance, Owner may, without notice to Contractor, procure such policies and deduct any monies expended from any amount otherwise due to Contractor.
4. Contractor further agrees to indemnify and save and hold harmless Owner, the Commonwealth and PHFA against loss or expense by reason of the liability imposed by law upon Owner, Contractor, the Commonwealth or PHFA, for damages because of bodily injuries, including death at any time resulting therefrom, sustained by any person or persons or on account of damage to property arising out of or in consequence of the performance or non-performance of the Agreement, whether such injuries to persons or damage to property are due or claimed to be due as a result of negligence or willful misconduct of Contractor, its subcontractors, employees or agents.
5. Contractor shall abide by all minority and disadvantaged business enterprise outreach programs as required by PHFA throughout the Construction Period – defined as the date on which the Contractor is given its notice to proceed until the final closeout conducted by the Agency.
6. Contractor shall comply with all other applicable federal and state laws, regulations and guidelines required to construct and/or rehabilitate the Project in accordance with PHFA financing. This includes such work coordination, record keeping, inspection and reporting regiments as may be required for any of

- a. "Affiliate" means two or more entities where (a) a parent entity owns more than fifty percent of the voting stock of each of the entities; or (b) a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the entities; or (c) the entities have a common proprietor or general partner.
 - b. "Consent" means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of the execution of this contract.
 - c. "Contractor" means the individual or entity that has entered into this contract with the Commonwealth.
 - d. "Contractor Related Parties" means any affiliates of the Contractor and the Contractor's executive officers, Pennsylvania officers and directors, or owners of 5 percent or more interest in the Contractor.
 - e. "Financial Interest" means either:
 - (1) Ownership of more than a five percent (5%) interest in any business; or
 - (2) Holding a position as an officer, director, trustee, partner, employee or holding any position of management.
 - f. "Gratuity" means tendering, giving, or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the Governor's Code of Conduct, Executive Order 1980-18, the 4 Pa. Code §7.153(b), shall apply.
 - g. "Non-bid Basis" means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or offeror.
2. In furtherance of this policy, Contractor agrees to the following:
- a. Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting or procurement with the Commonwealth.
 - b. Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to the Contractor activity with the Commonwealth and Commonwealth employees and which is made known to all Contractor employees. Posting these Contractor Integrity Provisions conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contract services are performed shall satisfy this requirement.
 - c. Contractor, its affiliates, agents, employees and anyone in privity with Contractor shall not accept, agree to give, offer, confer, or agree to confer or promise to confer, directly or indirectly, any gratuity or pecuniary benefit to any person, or to influence or attempt to influence any person in violation of any federal or state law, regulation, executive order of the Governor of Pennsylvania, statement of policy, management directive or any other published standard of the Commonwealth in connection with performance of work under this contract, except as provided in this contract.
 - d. Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material under this contract, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to Contractor's financial interest prior to Commonwealth execution of the contract. Contractor shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than Contractor's submission of the contract signed by Contractor.
 - e. Contractor certifies to the best of its knowledge and belief that within the last five (5) years Contractor or Contractor Related Parties have not:
 - (1) been indicted or convicted of a crime involving moral turpitude or business honesty or integrity in any jurisdiction;
 - (2) been suspended, debarred or otherwise disqualified from entering into any contract with any governmental agency;

- (3) had any business license or professional license suspended or revoked;
- (4) had any sanction or finding of fact imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust; and
- (5) been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

If Contractor cannot so certify to the above, then it must submit along with its bid, proposal or contract a written explanation of why such certification cannot be made and the Commonwealth will determine whether a contract may be entered into with the Contractor. The Contractor's obligation pursuant to this certification is ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to immediately notify the Commonwealth in writing if at any time during the term of the contract it becomes aware of any event which would cause the Contractor's certification or explanation to change. Contractor acknowledges that the Commonwealth may, in its sole discretion, terminate the contract for cause if it learns that any of the certifications made herein are currently false due to intervening factual circumstances or were false or should have been known to be false when entering into the contract.

- f. Contractor shall comply with the requirements of the Lobbying Disclosure Act (65 Pa.C.S. §13A01 et seq.) regardless of the method of award. If this contract was awarded on a Non-bid Basis, Contractor must also comply with the requirements of the Section 1641 of the Pennsylvania Election Code (25 P.S. §3260a).
- g. When Contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or these Contractor Integrity Provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commonwealth contracting officer or the Office of the State Inspector General in writing.
- h. Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies and represents that it has not violated any of these Contractor Integrity Provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract, to include any extensions thereof. Contractor shall immediately notify the Commonwealth in writing of any actions for occurrences that would result in a violation of these Contractor Integrity Provisions. Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of the State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the Contractor. Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
- i. Contractor shall cooperate with the Office of the State Inspector General in its investigation of any alleged Commonwealth agency or employee breach of ethical standards and any alleged Contractor non-compliance with these Contractor Integrity Provisions. Contractor agrees to make identified Contractor employees available for interviews at reasonable times and places. Contractor, upon the inquiry or request of an Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Office of the State Inspector General to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refer to or concern this contract. Contractor shall incorporate this paragraph in any agreement, contract or subcontract it enters into in the course of the performance of this contract/agreement solely for the purpose of obtaining subcontractor compliance with this provision.

The incorporation of this provision in a subcontract shall not create privity of contract between the Commonwealth and any such subcontractor, and no third party beneficiaries shall be created thereby.

- j. For violation of any of these Contractor Integrity Provisions, the Commonwealth may terminate this and any other contract with Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these Provisions, claim damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract, and debar and suspend Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

ARTICLE XIII - CONTRACTOR RESPONSIBILITY

For the purpose of these provisions, the term contractor is defined as any person, including, but not limited to, a bidder, offeror, loan recipient, grantee or lessor, who has furnished or performed or seeks to furnish or perform, goods, supplies, services, leased space, construction or other activity, under a contract, grant, lease, purchase order or reimbursement agreement with the Commonwealth of Pennsylvania (Commonwealth). The term contractor includes a permittee, licensee, or any agency, political subdivision, instrumentality, public authority, or other public entity in the Commonwealth.

1. The Contractor certifies, in writing, for itself and its subcontractors required to be disclosed or approved by the Commonwealth, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any such subcontractors, are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot so certify, then it agrees to submit, along with its Bid/Contract, a written explanation of why such certification cannot be made.
2. The Contractor also certifies, in writing, that as of the date of its execution of this Bid/Contract it has no tax liabilities or other Commonwealth obligations, or has filed a timely administrative or judicial appeal if such liabilities or obligations exist, or is subject to a duly approved deferred payment plan if such liabilities exist.
3. The Contractor's obligations pursuant to these provisions are ongoing from and after the effective date of the Contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or, to the best knowledge of the Contractor, any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.
4. The failure of the Contractor to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Contract with the Commonwealth.
5. The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the contractor. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
6. The Contractor may obtain a current list of suspended and debarred Commonwealth contractors by either searching the Internet at <http://www.dgs.state.pa.us/> or contacting the:

**Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, PA 17125
Telephone No: (717) 783-6472
FAX No: (717) 787-9138**

The Contractor agrees that the Commonwealth of Pennsylvania (Commonwealth) may set off the amount of any state tax liability or other obligation of the Contractor or its subsidiaries to the Commonwealth against any payments due the Contractor under any contract with the Commonwealth.

ARTICLE XIV - NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

The Contractor agrees:

1. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the Contractor, each subcontractor, or any person acting on behalf of the Contractor or subcontractor shall not discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the *Pennsylvania Human Relations Act* (PHRA) and applicable federal laws against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
2. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA and applicable federal laws, against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract.
3. The Contractor and each subcontractor shall establish and maintain a written nondiscrimination and sexual harassment policy and shall inform their in writing employees of the policy. The policy must contain a provision that sexual harassment will not be tolerated and employees who practice it will be disciplined. Posting this Nondiscrimination/Sexual Harassment Clause conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contracted services are performed shall satisfy this requirement for employees with an established work site.
4. The Contractor and each subcontractor shall not discriminate by reason of race, gender, creed, sexual orientation, gender identity or expression, or in violation of PHRA and applicable federal laws, against any subcontractor or supplier who is qualified to perform the work to which the contract relates.
5. The Contractor and each subcontractor represents that it is presently in compliance with and will maintain compliance with all applicable federal, state, and local laws, regulations and policies relating to nondiscrimination and sexual harassment. The Contractor and each subcontractor further represents that it has filed a Standard Form 100 Employer Information Report (“EEO-1”) with the U.S. Equal Employment Opportunity Commission (“EEOC”) and shall file an annual EEO-1 report with the EEOC as required for employers subject to Title VII of the Civil Rights Act of 1964, as amended, that have 100 or more employees and employers that have federal government contracts or first-tier subcontracts and have 50 or more employees. The Contractor and each subcontractor shall, upon request and within the time periods requested by the Commonwealth, furnish all necessary employment documents and records, including EEO-1 reports, and permit access to their books, records, and accounts by the contracting agency and the Bureau of Diversity, Inclusion and Small Business Opportunities, for purpose of ascertaining compliance with provisions of this Nondiscrimination/Sexual Harassment Clause.
6. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor.
7. The Contractor’s and each subcontractor’s obligations pursuant to these provisions are ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor and each subcontractor shall have an obligation to inform the Commonwealth if, at any time during the

term of the contract, it becomes aware of any actions or occurrences that would result in violation of these provisions.

8. The Commonwealth may cancel or terminate the contract and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the Agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.

ARTICLE XV - ASSIGNMENTS AND SUBCONTRACTORS

1. The Agreement shall not be assignable by either party, except that Owner may assign the Agreement, or any rights hereunder, to PHFA, subject to the rights of PHFA, and shall be deemed to have made such assignment of the Agreement to PHFA upon PHFA sending written notice to Owner invoking said assignment and setting forth the breach by Owner of the loan documents between Owner and PHFA.
2. Contractor understands that the Development under the Agreement is to be financed by funds from PHFA to Owner and the loans will be secured by mortgages, and that the terms of the loans are set forth in an agreement between Owner as borrower and PHFA as lender. Contractor further understands that the agreement provides that in the event of the failure of Owner to perform its obligations to PHFA thereunder, PHFA may as attorney-in-fact for Owner elect to undertake the completion of the Development in accordance with the Contract Documents.
3. Contractor shall not employ any subcontractors that Owner or PHFA within a reasonable amount of time, object to as incompetent, unfit or objectionable for any other reason.
4. Contractor agrees that it is fully responsible to Owner for the acts and omissions of its subcontractors, suppliers and persons directly or indirectly employed by it. Nothing contained in the Contract Documents shall create privity of contract between any subcontractor and Owner or PHFA.
5. All work performed for Contractor by a subcontractor shall be pursuant to an appropriate agreement between Contractor and subcontractor (and where appropriate, between subcontractor and subcontractor). PHFA reserves the right to review and approve any such agreement.

ARTICLE XVI – FEDERAL PROGRAM FUNDING REQUIREMENTS

(applicable with HOME, HTF, CMF and other federal funding programs)

If the Owner is receiving financing from PHFA made available through the federal HOME Investment Partnerships Program (“HOME”), the National Housing Trust Fund, Capital Magnet Funds, or other federal funding programs, Contractor and subcontractors shall comply with all of the following requirements, as applicable:

1. Section 3 – Section 3 of the Housing and Urban Development Act of 1968, as amended, and the implementing regulations at 24 CFR Part 135 require that to the greatest extent feasible opportunities for training and employment be given to low and moderate income residents of the county in which the Development is located and contracts for work in connection with the Development be awarded to eligible businesses.
2. Federal Labor Standards – The Federal Labor Standards contained in HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs). Contractor shall be responsible for the full compliance of all employers (Contractor, subcontractors and any lower-tier subcontractors) with the labor standards identified therein.
3. Davis-Bacon Compliance – If the Development has 12 or more HOME assisted units, Contractor shall comply with the Davis-Bacon Act and regulations promulgated by the U.S. Department of Labor at Title 29 CFR Parts 1, 3, 5, 6 and 7, as amended, which includes, but is not limited to, compliance with the Davis-Bacon wage decision/determination, requirements for payroll deductions, submission of weekly certified payroll reports and labor standards relating to Davis-Bacon wage rates.
4. The Copeland Act – The Copeland (Anti-Kickback) Act prohibits anyone to require any laborer or mechanic to give up or pay back any part of their wages. Contractor and subcontractors shall comply with all

requirements of the Copeland Act and any and all regulations promulgated therewith as amended from time to time.

5. Contract Work Hours and Safety Standards Act – The Contract Work Hours and Safety Standards Act requires that no Contractor or subcontractor under the Agreement may require or permit laborers or mechanics to work in excess of 40 hours in any workweek unless said laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.
6. Byrd Anti-Lobbying Certification – Contractor and any subcontractor who receives more than \$100,000 in federal funds must submit an executed Byrd Anti-Lobbying Certification Form regarding compliance with 24 CFR Part 87 with each request for payment.

ARTICLE XVII – RIGHT-TO-KNOW LAW

Contractor understands that this Agreement and records related to or arising out of this Agreement are subject to requests made pursuant to the Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, ("RTKL").

Contractor is required to adhere to the following requirements:

1. Contractor shall notify the Agency in writing of any change in the name or the contact information within a reasonable time prior to the change.
2. If Contractor fails to provide access to, and copies of the requested information to the Agency, within the period specified by the Agency, the failure shall be considered an event of default and Contractor shall pay, indemnify and hold the Agency harmless for any damages, penalties, detriment or harm that the Agency may incur as a result of Contractor's failure to produce the requested information.
3. Contractor agrees not to challenge the Agency's decision to deem the requested information a Public Record as defined by the RTKL, or in any way hold the Agency liable for such a decision. However, if Contractor believes the requested information to be a Trade Secret as defined by the RTKL, then Contractor will provide a statement signed by a representative of Contractor explaining why the requested material is exempt from public disclosure under the RTKL within the timeframe prescribed by the Agency. The Agency's determination as to whether the requested information is a Public Record is dispositive of the question as between the parties to this Contract.

ARTICLE XVIII - MISCELLANEOUS

1. The Agreement shall be governed by the laws of the Commonwealth and may be amended only in writing signed by both parties hereto.
2. The invalidity of any clause, part or provision of this Addendum and the Agreement shall not affect the validity of the remaining portions thereof.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Addendum on the _____ day of _____, 20__.

WITNESS (ATTEST)

CONTRACTOR:

By: _____

Title: _____

WITNESS (ATTEST)

OWNER:

a Pennsylvania _____

By: _____

By: _____

Title: _____

WITNESS (ATTEST)

By: _____

By: _____

Title: _____

PAYMENT BOND - DUAL OBLIGEE

KNOW ALL BY THESE PRESENTS, that we, _____,
a _____, having a principal place of business at _____,
_____ as Principal, and _____,
having a principal place of business at _____,
_____ as Surety, are held and firmly bound unto
_____ (the "Owner-Obligee"), having a principal place of business at _____,
and the PENNSYLVANIA HOUSING FINANCE AGENCY (the "Lender-Obligee"), having a mailing address of P. O. Box 8029, Harrisburg, Pennsylvania 17105-8029 as their respective interests may appear, in the amount of _____ Dollars (\$ _____), lawful money of the United States of America, for the payment whereof Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has entered into a Construction Contract dated _____, and Contract Documents as defined in the Construction Contract (collectively called the "Contract Documents"), which are by reference made a part of this Bond, with the Owner-Obligee for the construction and/or rehabilitation of a Project designated as _____; and

WHEREAS, the Lender-Obligee, under a certain Building Loan Agreement, which is by reference made a part of this Bond, has agreed or will agree to lend to the Owner-Obligee a sum of money to be secured by a mortgage on said Project and to be used by the Owner-Obligee in making payments to the Principal under said Contract Documents, and the Obligees desire assurance of the prompt payment by Principal for all labor and material furnished in the performance of the Contract Documents.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if the Principal shall promptly make payment to all claimants as defined below for all labor and material used or reasonably required for use in the performance of the Contract Documents, then this obligation shall be void; otherwise it shall remain in full force and effect, subject to the following conditions:

1. A Claimant is defined as one having a direct contract with the Principal or with a subcontractor of the Principal for labor, material or both, used or reasonably required for use in the performance of the Contract Documents, labor and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental of equipment directly applicable to the Contract Documents.

2. The above-named Principal and Surety hereby jointly and severally agree with the Owner-Obligee and the Lender-Obligee that every Claimant who has not been paid in full before the expiration of a period of ninety (90) days after the date on which the last of such Claimant's work or labor was done or performed, or materials were furnished by such Claimant, may sue on this Bond for the use

of such Claimant, prosecute the suit to final judgment for such sum or sums as may be justly due Claimant, and have execution thereon; however, that the Owner-Obligee and the Lender-Obligee hereunder shall not be liable for the payment of any costs or expenses of any such suit.

3. The prior written approval of Surety shall be required with regard to any changes or alterations in the Contract Documents where the cost thereof, added to prior changes or alterations, causes the aggregate cost of all changes and alterations to exceed ten percent (10%) of the original Construction Contract price; but except as to the foregoing, any alterations which may be made in the terms of the Contract Documents or Building Loan Agreement, or in the work to be done under it, or the giving by Obligees of any extension of time for the performance of the Contract Documents, or any other forbearance on the part of either the Obligees or Principal to the Contract Documents, or any other forbearance on the part of either the Obligees or Principal to the other, shall not in any way release Surety or Principal of the obligations of this instrument, notice to Surety of any such alterations, extension, or forbearance being hereby waived.

4. No suit or action shall be commenced by any Claimant:

(a) Unless the Claimant shall have given written notice to the Principal, Obligees and the Surety, within the period of time specified in condition 2 above, stating with substantial accuracy the amount claimed and the name of the party to whom materials were furnished, or for whom the work or labor was done or performed. Such notice shall be served by mailing the same by registered or certified mail, postage prepaid, in envelopes addressed to the Principal, the Obligees, and the Surety, at any place where an office is regularly maintained by the addressee for the transaction of business.

(b) After the expiration of one (1) year following the date on which Principal ceases work pursuant to the Contract Documents, it being understood, however, that if any such limitation embodied in this Bond is prohibited by any law controlling the construction and/or rehabilitation hereof such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by law.

(c) Other than in a state court of competent jurisdiction in and for the county in which the Project, or any part thereof, is situated, or in the United States District Court for the District in which the Project, or any part thereof, is situated, and not elsewhere.

5. The amount of this Bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder, inclusive of the payment by Surety of liens which may be filed of record on account of any labor or material furnished under the Contract Documents, whether or not claim for the amount of such lien be presented under and against this Bond.

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SIGNED and SEALED, with intent to be legally bound hereby, this ____ day of _____,
_____.

WITNESS (ATTEST)

Principal:

a _____

By: _____

Name: _____

Title: _____

WITNESS (ATTEST)

Surety:

By: _____

Name: _____

Title: _____

PERFORMANCE BOND - DUAL OBLIGEE

KNOW ALL BY THESE PRESENTS, that we, _____,
_____, having a
principal place of business at _____,
as Principal, and _____, having a
principal place of business at _____,
_____ as Surety, are held and
firmly bound unto _____,
a _____, (the "Owner-Obligee"), having a
principal place of business at _____,
a _____, and the PENNSYLVANIA HOUSING
FINANCE AGENCY (the "Lender-Obligee"), having a mailing address of P. O. Box 8029, Harrisburg,
Pennsylvania 17105-8029 as their respective interests may appear, in the amount of
_____ Dollars (\$_____), lawful money of the
United States of America, for the payment whereof Principal and Surety bind themselves, their heirs,
executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has entered into a Construction Contract dated _____,
_____ and Contract Documents as defined in the Construction Contract
(collectively called the "Contract Documents"), which are by reference made a part of this Bond, with the
Owner-Obligee for the construction and/or rehabilitation of a project designated as
_____ (the "Project"); and

WHEREAS, Lender-Obligee, under a certain Building Loan Agreement, which is by reference
made a part of this Bond, has agreed to or will agree to lend to the Owner-Obligee a sum of money to be
secured by mortgages on said Project and to be used in making payments under said Contract Documents,
and desires protection as its interests may appear in the event of a default by Principal under the Contract
Documents, said protection to be subject to the performance by the Obligees, or either of them of the
obligations to Principal in connection with said Contract Documents.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if Principal shall
well and truly perform all the undertakings, covenants, terms, conditions and agreements of said Contract
Documents on its part, and fully indemnify and save harmless Obligees from all costs and damages which
they may suffer by reason of failure so to do, and fully reimburse and repay Obligees all outlay and
expense which Obligees may incur in making good any such default, then the obligation shall be null and
void; otherwise, it shall remain in full force and effect.

The foregoing, however, is subject to the following further provisions:

1. The Surety shall not be liable under this Bond to the Obligees, or either of them, unless the
Obligees, or either of them, shall make payments to the Principal, or others on behalf of Principal, in
accordance with the terms of said Contract Documents as to payments, and shall perform all the other
obligations to be performed by the Owner-Obligee under said Contract Documents.

2. No suit, action or proceeding by reason of any default whatever shall be brought on this Bond after two (2) years from the day on which the final payment under the Contract Documents falls due.

3. The prior written approval of Surety shall be required with regard to any changes or alterations in the Contract Documents where the cost of those changes or alterations when added to prior changes or alterations, causes the aggregate cost of all changes and alterations to exceed ten (10%) percent of the original Construction Contract price; but except as to the foregoing, any alterations which may be made in the terms of the Contract Documents or Building Loan Agreement, or in the work to be done under them, or the giving by Obligees of any extension of time for the performance of the Contract Documents, or any other forbearance on the part of either the Obligees or Principal to the Contract Documents, or any other forbearance on the part of either the Obligees or Principal to the other, shall not in any way release Surety or Principal of the obligations of this instrument, notice to Surety of any such alterations, extension, or forbearance being hereby waived.

4. Upon default by Principal under the Contract Documents, and upon receipt of written notice of default from Lender-Obligee, or Owner-Obligee with Lender-Obligee's written approval, Surety will promptly cause the performance of the provisions of said Contract Documents or cause to be cured the defaults thereunder.

5. The obligation of the Surety hereunder shall extend to any liquidated damages or penalties incurred by reason of failure of Principal to complete construction of the Project by the Required Completion Date (as defined in the Construction Contract).

6. The aggregate liability of Surety hereunder to the Obligee or their assigns is limited to the sum above stated, and Surety, upon making any payment hereunder, shall be subrogated to, and shall be entitled to an assignment of, all rights of the payee, either against Principal or against any other party liable to payee in connection with the loss which is the subject of the payment.

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SIGNED and SEALED, with intent to be legally bound hereby, this ____ day of _____,
_____.

WITNESS (ATTEST)

Principal:

a _____

By: _____

Name: _____

Title: _____

WITNESS (ATTEST)

Surety:

By: _____

Name: _____

Title: _____

Cost Control and Safe Harbor Standards

Item	Defining Criteria	Safe Harbor	Maximum
<p>[REDACTED]</p>	<p>[REDACTED]</p> <ul style="list-style-type: none"> ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] <p>[REDACTED]</p> <p>[REDACTED]</p>	<p>[REDACTED]</p>	<p>[REDACTED]</p>
<p>Contractor Fee</p>	<ul style="list-style-type: none"> • Percentages are based on hard construction cost. • General Conditions includes the bond premium. 	<p>Overhead: 2% Profit: 6% General Conditions: 6%</p>	<p>14% is the maximum for these combined costs provided that the PHA justifies why the 2/6/6 percentages for the individual costs cannot be met.</p>

DEVELOPMENT COST LIMITS

The development costs, fees, and expenses contained herein are the **maximum amounts that may be included in total development cost** and, if applicable, the Tax Credit eligible basis of the development. These limitations will apply through cost certification. Applicants who are applying for additional Tax Credits in a subsequent year will be subject to the limitations in effect for the year in which the initial Application was approved. Only those expenses properly chargeable to a capital account may be included in the Tax Credit eligible basis of the property. Expenses and fees may be required to be documented. The Agency reserves the right to review all costs and to disallow any costs which appear to be unreasonable.

Construction Costs

Construction costs will be reviewed on both a per-unit and a per square foot basis. The Agency will determine the reasonableness of the construction costs based on type of rehabilitation or new construction proposed and the geographic area in which the development is located. Applications must also provide a breakdown of any off-site improvements, site work, demolition costs, tap-in or municipal fees and/or any single budget line that includes multiple costs that are part of the development budget. *Note:* Construction fees that were disallowed at any stage in processing because they exceeded the limitations set forth herein may not be reallocated at a future date to other construction line items.

General Requirements: General Requirements will be limited to 6% of **hard** construction costs. Builder's overhead, builder's profit, bond premium, construction contingency and building permits are not included in this calculation. Fees for "Clerk of the Works", **Construction Managers and MBE/WBE/Section 3 Consultants will also be included in the 6% cap.** General Requirements of the general contractor include, but are not limited to: attendance at development meetings; submittal of construction schedules, shop drawings, and progress reports; supplying of temporary facilities, controls, and utilities; handling of material and equipment including transportation and storage of materials; and development close-out requirements including clean up, final inspection, and punch list.

Builder's Overhead: Builder's Overhead is defined as expenses necessary to the operation of a construction business and is limited to 2% of the hard construction costs, which does not include General Requirements.

Builder's Profit: Builder's Profit is limited to 6% of the hard construction costs, which does not include General Requirements.

Bond Premium: The contractor must procure a Performance Bond and a Payment Bond, each in the amount of 100% of the Construction Contract Sum, or an unconditional and irrevocable letter of credit in the amount of 25% of the contract sum. The Bonding Company must have an "A" rating or better. **(Required on all applications)**

Building Permits: If the Contractor is responsible for obtaining permits, the cost of all permitting shall be included in construction costs.

Construction Contingency: A construction contingency may be budgeted to pay for additional construction costs that may result from unforeseen circumstances arising during construction. For **Agency loan applicants (including Agency First Mortgages, PennHOMEs and all PHARE funds)**, the following contingency amount **must** be included in the development budget, 3% of improvement cost for new construction developments and 5% of improvement cost for rehabilitation and preservation developments. **For all other applicants**, a contingency is not required, but if included the aforementioned percentages are the maximum amounts that will be approved in the budget.

For developments that consist of both new construction and substantial rehabilitation, the maximum contingency will be pro-rated.

Agency loan applicants: An unconditional and irrevocable letter of credit by a qualified financial institution may be used in lieu of cash for the construction contingency.

For Agency loan Applications - Retainage: Ten percent (10%) of each payment request for a construction item shall be retained by PHFA. The percentage retained may be reduced to five percent (5%) after construction has been fifty percent (50%) completed. Upon Substantial Completion, the percentage retained may be reduced to two and one-half percent (2.5%). In the event of multiple Certificates of Substantial Completion being issued for phased projects, reduction to two and one-half percent (2.5%) will be considered only after the final phase of the whole is accepted. The balance due to the contractor shall be payable at final loan closing provided the work is fully completed and contractor has complied with all provisions of the Agreement and Addendum to the Owner's and the Agency's satisfaction, including, but not limited to, submission and approval of the contractor's certificate of actual cost to the Agency and receipt of all certificates of occupancy for all units by Owner and PHFA.

