

CONSTRUCTION CONTRACT

U.S. Department of Housing
and Urban Development
Office of Housing

OMB Approval No. 0000-0000
_____ (Exp. 00/00/00)

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HUD Project No.: _____
Project Name: _____

Cost Plus Contract _____
Lump Sum Contract _____

THIS CONSTRUCTION CONTRACT is made this _____ day of _____, 20____, _____, between _____ (**Contractor**) and _____ (**Owner**)(**CONTRACT**). ~~(The definition of any capitalized term or word used herein can be found in this Construction Contract, the Regulatory Agreement between Borrower and HUD, and/or the Security Instrument.)~~

The definition of any capitalized term or word used herein can be found in this Contract and the General Conditions, except the term “Project” shall have the same definition as in the Regulatory Agreement between Borrower (Owner) and HUD, and “Program Obligations” means all applicable statutes and regulations, including all amendments to such statutes and regulations, as they become effective, and all applicable requirements in HUD handbooks, HUD guides, notices, and mortgagee letters that apply to the Project, including all updates and changes to such handbooks, guides, notices, and mortgagee letters that apply to the Project, except that changes subject to notice and comment rulemaking shall become effective upon completion of the rulemaking process. Handbooks, guides, notices, and mortgagee letters are available on HUD’s official website, <http://www.hud.gov/offices/adm/hudclips/index.cfm>, or a successor location to that site. Any HUD form referenced herein shall be the current version of that form, and shall include any successor form adopted by HUD.

The Contractor and the Owner agree as follows:

Article 1: Scope of Contract

A. The Contract between the parties is set forth in the “**Contract Documents**,” which consist of this Agreement and the other documents identified in Article 2 below. Together, these form the entire Contract between Owner and Contractor, and by this reference these Contract Documents are fully incorporated herein. Any previously existing contract or understanding concerning the ~~work~~Work contemplated by the Contract Documents is hereby revoked. Any side agreements between Owner and Contractor shall be disclosed to HUD.

B. Except to the extent specifically indicated in the Contract Documents to be the responsibility of others, Contractor shall furnish all of the materials and perform all of the ~~work, within the property lines,~~Work shown on, and in accordance with, the

Drawings and Specifications.

Article 2: Identification of Contract Documents

A. The Contract Documents are identified as follows:

~~(1) This Agreement. If designated above as Cost Plus Contract, Articles 4 and 13 are applicable to this Agreement. If designated above as Lump Sum Contract, Articles 4A and 13A are applicable to this Agreement.~~

(1) This Construction Contract (HUD-92442M) (Agreement).

(2) The General Conditions of the Contract for Construction, AIA Document A201 ~~—1997—~~**(General Conditions)**, expressly excepting those provisions mandating binding arbitration. ~~The~~ If any of the provisions of this Agreement take precedence over any inconsistent provisions in conflict with the terms contained in the General Conditions, the provisions in this Agreement shall control.

(3) The Supplementary Conditions of the Contract for Construction (HUD-92554M).

~~(4) The HUD Special Conditions are set forth in the Contract Documents, attached hereto as Exhibit~~ _____.

~~(5) The Specifications are contained in the Contract Documents.~~

~~_____ (6) The Drawings are as follows, and are dated attached hereto as shown below: Exhibit~~ _____.

~~_____ Number _____ Title _____ Pages _____ Date~~

~~(6) The Specifications are as follows, and attached hereto as Exhibit~~ _____.

Number Title Pages

(7) The Contractor's and/or Mortgagor's Cost Breakdown (HUD-~~923282328~~), approved by HUD on the date of _____, 20____, _____, attached hereto as Exhibit _____.

~~(8)~~**(8) [Applicable for Cost Plus Contracts when an Incentive Payment Addendum is agreed to by the parties]** If this is designated a Cost Plus Contract and there is no Identity of Interest between Contractor and Owner, the Construction Contract Incentive Payment Computation

~~form, page 2 of (HUD-92443,) form~~ is attached hereto as Exhibit _____
(Incentive Payment Addendum).

OR

[Applicable for Lump Sum Contracts when an Incentive Payment Addendum is agreed to by the parties] If this is designated a Lump Sum Contract and there is no Identity of Interest between Contractor and Owner, the Construction Contract Incentive Payment (HUD-92443) form is attached hereto as Exhibit ____ (Incentive Payment Addendum).

(9) The Prevailing Wage Determination _____ Modification Number _____, last published/modified on (date) _____, 20____, _____, and attached hereto as Exhibit _____.

(10) Completed and fully-executed document identifying Identities of Interest among Owner, Contractor, Subcontractors, Architect (see, ~~for example,~~ Appendix 8 of Handbook 4430.1 and the MAP Guide Appendices).

~~(11)~~ Any change orders approved by HUD after the execution of this Contract.

~~(12)(11) Any side agreements disclosed to HUD.~~

B. The Drawings and ~~the~~ Specifications were prepared by _____ (Design Architect). The architect administering the Construction Contract ~~work~~ is _____ (Supervisory Architect).

C. A master set of the Drawings and Specifications, identified by the signatures of Owner, Contractor, Design Architect, ~~Supervisory~~ Architect, and Lender (if applicable), and (if applicable), Contractor's surety or ~~Guarantor~~ guarantor, have been placed on file with HUD, and shall govern in all matters that arise with respect to the Contract Documents.

D. Changes in the Drawings, and Specifications, or any terms of the Contract Documents, including orders for extra work, changes by altering or adding to the ~~work~~ Work, orders that shall change the design concept, or orders extending the ~~Final~~ Project Substantial Completion Deadline (defined in Article 3) may be effected only with the prior written approval of Owner's Lender (as defined in Article 11 hereof) and HUD, and under such conditions as either Lender or HUD may establish.

Article 3: Time

A. Contractor shall commence the ~~work~~ Work to be performed under this Contract within _____ days of this Agreement and shall bring the ~~work~~ Work to

~~FinalProject Substantial~~ Completion by _____, 20___ (~~Final~~ **(Project Substantial Completion Deadline)**).

~~B. The “Date of Final Completion” shall be the date of the HUD Representative’s final Trip Report, provided that the trip report is subsequently endorsed as required by HUD. “Final Completion” constitutes completion of all construction requirements, including but not limited to completion of all punch list items, execution of HUD-92485, Permission to Occupy – Property Mortgages, As-Built Survey and Surveyor’s Report, As-Built Plans and Specifications, warranties, and execution and acceptance of all change orders (including those for work that is not paid from Loan proceeds).~~

B. “Project Substantial Completion” shall be the date that the HUD Representative signs the final FHA Inspection Report contained in form HUD-92485 (Permission to Occupy Project Mortgages) for the Project required by the Contract Documents and Program Obligations, provided the Permission to Occupy in the same HUD-92485 is subsequently signed by the Authorized Agent of FHA. For purposes of determining any Liquidated Damages in Article 3.E below, “Substantial Completion” shall be the stage in the progress of the Work when a designated portion of the Work is sufficiently complete in accordance with the Contract Documents and Program Obligations so that the Owner can occupy or utilize that designated portion of the Work for its intended use, the HUD Representative signs the FHA Inspection Report in form HUD-92485, and the Permission to Occupy in the same HUD-92485 is subsequently signed by the Authorized Agent of FHA. The Contractor remains liable to complete items of incomplete construction as approved by HUD in its sole discretion.

C. The ~~FinalProject Substantial~~ Completion Deadline may be extended in accordance with the terms of the General Conditions only with the prior written approval of HUD through a HUD-approved change order.

D. Contractor shall correct any defects due to faulty materials or workmanship which appear within one year from ~~the Date of Final Completion~~Project Substantial Completion. ~~Warranty for Work first performed after Project Substantial Completion or portions of the Work not specifically included in a Certificate of Substantial Completion (defined as any executed Permission to Occupy in HUD-92485) shall extend one year from the Date of Final Completion. The “Date of Final Completion” shall be the date the HUD representative signs the final HUD Representative’s Trip Report (form HUD-95379) provided that the trip report is subsequently endorsed by the Construction Manager. Warranty for all Work performed after the Date of Final Completion shall extend one year from the date all such Work is completed.~~

E. If ~~Contractor does not meet the work is not brought to Final Completion in accordance with the Drawings and Specifications, including any authorized changes, by the FinalProject Substantial~~ Completion Deadline, or ~~by~~ such date to which the ~~FinalProject Substantial~~ Completion Deadline may be mutually extended by approved change order, ~~in accordance with the Drawings and Specifications, including any authorized changes,~~ the maximum sum stated in Article 4 (~~either Option 1 or 4A~~Option 2) below shall be reduced by \$_____, ~~as liquidated damages,~~ for each day of delay until ~~the actual Date of FinalProject Substantial Completion~~ (**Liquidated Damages**). ~~Liquidated Damages, however, shall not be assessed against any of the Work that has reached Substantial~~ Completion (if applicable), in which case Liquidated Damages shall

~~be prorated based on projected rental income in accordance with Program Obligations. When Owner submits to HUD its Cost Certification, Actual Damages shall be calculated. The term "Actual Damages" is defined as the actual cost of interest, taxes, insurance and mortgage insurance premiums as approved by HUD, less the Project's net operating income, for the period from the FinalProject Substantial Completion Deadline through the Date of FinalProject Substantial Completion, the calculation of which shall be determined approved by HUD. The lesser of the liquidatedLiquidated Damages or actual-damagesActual Damages shall be applied. The applicable amount shall be reduced-~~

~~F. [Applicable when an Incentive Payment Addendum is agreed to by the project's net operating income, as determined by HUD, for the delay period-~~

~~F. parties] The parties have completed the appropriate blank spaces in ArticlesArticle 4 (Option 1 or 4AOption 2) below with respect to "Incentive Payment," providing for the payment of an additional sum to Contractor as an incentive for completing the projectProject earlier than the FinalProject Substantial Completion Deadline, or by such date to which the FinalProject Substantial Completion Deadline may be extended by approved change order. If the workWork is brought to FinalProject Substantial Completion before the FinalProject Substantial Completion Deadline, the contract sums stated in ArticlesArticle 4 and 4A(Option 1 or Option 2) below shall be increased, as indicated, by an Incentive Payment calculated in accordance with the Incentive Payment Addendum, consistent with Program Obligations. In cases requiring cost certification by Contractor, Contractor shall not be entitled to any Incentive Payment resulting from early completion if HUD determines that Contractor's cost certification is fraudulent or materially misrepresents Contractor's Actual Cost of Construction, as defined herein.~~

[Option 1] Article 4: Contract Sum- -- Cost Plus Contract

A. Subject to the provisions hereinafter set out, Owner shall pay to Contractor for the performance of this Contract the following items in cash:

- (1) The Actual Cost of Construction as defined in Article 13 below; plus
- (2) Builder's Profit of \$ _____

In no event, however, shall the total cash payable pursuant to this paragraph A exceed \$ _____.

B. In addition to any cash fee provided for in paragraph A, Owner shall pay to Contractor, by means other than cash, the following:

- (1) A promissory note in the form prescribed by HUD in the amount of \$ _____
- (2) _____ (2) \$ _____ in the form of _____

C. If Contractor shall have received cash payments in excess of (a) the Actual Cost of Construction plus (b) the Builder's Profit, plus any additional amount to be paid under the provisions of paragraph B, all such excess shall be refunded to Owner.

D. **[Applicable when an Incentive Payment Addendum is agreed to by the parties]** Incentive Payment, where there is no Identity of Interest between Owner and Contractor:

(1) If ~~there is no Identity of Interest between Owner and Contractor and the work~~ Work is completed prior to the ~~Final~~ Project Substantial Completion Deadline, Owner shall make an incentive payment to Contractor. The amount of the payment shall be determined according to Exhibit _____, attached hereto, and consisting of page 2 of HUD-92443, entitled Incentive Payment Computation. Steps 1(a) and 3(b) thereof contain blanks that are to be filled in at the time this ~~Construction Contract Agreement~~ is executed. *(Insert that portion of the sum of interest, taxes, insurance, and Mortgage Insurance Premium that appears in Section G of HUD-92264 attributable to the construction period. If there has been a change in the interest rate charged for the construction period (see footnote designated “**” on page 1 of HUD-92443), the dollar amount included in Section G of HUD-92264 must be adjusted. The adjusted amount must be reflected in the savings computation.)* Furthermore, the procedures set forth in footnote designated “**” on page 1 of HUD-92443 must be followed.

(2) If Contractor shall have received cash payments in excess of (a) the Actual Cost of Construction plus (b) the Builder’s Profit, plus any additional amount to be paid under the provisions of paragraph B, plus the incentive payment under the provisions of paragraph D(1) above, all such excess shall be refunded to Owner.

(3) No incentive payment shall be allowed on savings in costs disallowed by HUD or if Contractor’s cost certification is found by HUD to be either fraudulent or to materially misrepresent the Actual Cost of Construction.

E. **[Applicable when an Incentive Payment Addendum is agreed to by the parties]** Incentive Payment, where there is an Identity of Interest between Owner and Contractor:

~~(1) If there is any Identity of Interest between Owner and Contractor, the _____~~
 (1) The cash upset figure set forth at the end of paragraph A, immediately above is hereby increased by the amount by which \$ _____ (the estimated sum of ~~Loan~~ interest on the Loan, taxes, and property insurance and mortgage insurance premiums applicable to the construction period for this ~~project~~ Project (See ~~footnotes~~ footnote designated “**” and “**” on page 1 of HUD-92443)) exceeds the Borrower's certified actual cost for these items through ~~the Date of Final~~ Project Substantial Completion, as approved by HUD, provided that construction is completed prior to the ~~Final~~ Project Substantial Completion Deadline, as amended by approved change order, and, further, that in no event shall the total cash payable exceed the Actual Cost of Construction as approved by HUD.

(2) If the aggregate interest rate during the construction period is determined at the time of cost certification to be less than that upon which the Note was endorsed, the estimated amount for interest, line 53 of HUD-92264, shall be adjusted accordingly and the dollar amount set forth in paragraph E(1) shall be reduced.

[Option 2] Article 4A4: Contract Sum -- Lump Sum Contract

A. Owner shall pay Contractor for the performance of this Contract, hereinafter provided, the sum of -\$_____ (_____ and _____/100 dollars).

B.- **[Applicable when an Incentive Payment Addendum is agreed to by the parties]** Incentive Payment: If the **workWork** is completed prior to the **FinalProject Substantial** Completion Deadline, Owner shall pay to Contractor, in addition to the contract sum stated in paragraph A, an amount equal to ____% (not to exceed 50%) of the amount by which the sum of Owner's certified cost of interest, real estate taxes, insurance premiums and mortgage insurance premium during construction, as approved by HUD through **the Date of FinalProject Substantial** Completion, is exceeded by HUD's estimates of these same items, which estimate is \$_____. *(Insert that portion of the sum of interest, taxes, insurance, and mortgage insurance premium that appears in Section G of HUD-92264 attributable to the construction period. If there has been a change in the interest rate charged for the construction period (See footnote designated "***" on page 1 of HUD-92443), the dollar amount included in Section G of HUD-92264 must be adjusted. The adjusted amount must be reflected in the savings computation.)* No incentive payment shall be allowed on savings in costs disallowed by HUD or if Contractor's cost certification is found by HUD to be either fraudulent or to materially misrepresent the Actual Cost of Construction.

Article 5: Requisition and Payment Procedures

A. Each month after the commencement of **workWork** hereunder, Contractor shall make a monthly request on HUD-92448 for payment by Owner for **workWork** done during the preceding month. Each request for payment shall be filed at least 15 days before the date payment is desired. Subject to the approval of Lender and HUD, Contractor shall be entitled to payment thereon in an amount equal to (1) the total value of classes of the **workWork** acceptably completed; plus (2) the value of materials and equipment not incorporated in the **workWork**, but delivered to and suitably stored at the site; plus (3) the value of components stored off-site in compliance with Program Obligations; less (4) ten (10) percent holdback (or as reduced by HUD in writing) and ~~(5)~~ less (5) prior payments. The "values" of (1), (2) and (3) shall be computed in accordance with the amounts assigned to classes of **workWork** in HUD-92328.

B. With its final application for payment by Owner, Contractor shall disclose, on a form prescribed by HUD, all unpaid obligations contracted in connection with the **workWork** performed under this Contract. Contractor agrees that within 15 days

following receipt of final payment, it shall pay such obligations in cash and furnish satisfactory evidence of such payment to Owner.

C. The balance due to Contractor hereunder shall be payable upon the expiration of thirty (30) days after the workWork hereunder is fully completed, provided the following have occurred: (1) All workWork hereunder requiring inspection by Governmental Authorities having jurisdiction has been inspected and approved by such authorities and by the rating or inspection organization, bureau, association or office having jurisdiction; (2) All certificates of occupancy, or other approvals, with respect to all units of the projectProject have been issued by Governmental Authorities; (3) Permission(s) to Occupy (HUD-92485) for all units of the projectProject have been issued by HUD; and (4) all executed final advance documents required by HUD have been submitted.

Article 6: Receipts, Releases of Liens & Payments for Materials & Equipment

A. Contractor agrees that within fifteen (15) days following receipt of each monthly payment, it shall pay in full and in cash all obligations for workWork done and materials, equipment and fixtures furnished through the date covered by such monthly payment. Contractor may withhold retainage from the payment due each subcontractor, corresponding to, but not exceeding, the ten (10) percent holdback specified in item (4) of Article 5, paragraph A.

B. Owner may require Contractor to attach to each request for payment its acknowledgment of payment and all subcontractors' and material suppliers' acknowledgments of payment for workWork done and materials, equipment and fixtures furnished through the date covered by the previous payment.

~~_____C. Contractor agrees that no materials or equipment required by the Specifications shall be purchased under a conditional sale contract or with the use of any security agreement or other vendor's title or lien retention instrument.~~

~~_____D.~~ C. Concurrently with the final payment, Contractor shall execute a waiver or release of lien for all workthe Work performed and materials furnished hereunder, and Owner shall require Contractor to obtain similar waivers or releases from all subcontractors and material suppliers, if permitted by state law.

Article 7: Obligations of Contractor

A. Contractor shall furnish, at its own expense, all building and other permits, licenses, tools, equipment and temporary structures necessary for the construction of the projectProject. Contractor shall give all required notices and shall comply with all applicable codes, laws, ordinances, rules and regulations, and protective covenants, and with the current regulations of the National Board of Fire Underwriters, wherever applicable. Contractor shall comply with the provisions of the Occupational Safety and Health Act of 1970. Contractor shall immediately notify Owner, Lender and HUD of the delivery of all permits, licenses, certificates of inspection, certificates of occupancy, and any other such certificates and instruments required by law, regardless of to whom issued, and shall cause them to be displayed to Owner, Lender and HUD upon request.

B. If Contractor observes that the Drawings and Specifications are at variance with any applicable codes, laws, ordinances, rules or regulations, or protective covenants, it shall promptly notify ~~Supervisory~~ Architect in writing, and any necessary changes shall be made as provided in this Contract for changes in the Drawings and Specifications. If Contractor performs any ~~work~~Work knowing it to be contrary to such codes, laws, ordinances, rules or regulations, or protective covenants, without giving such notice to ~~Supervisory~~ Architect, it shall bear all costs arising therefrom.

C. Upon completion of construction, Contractor shall furnish to Owner a ~~topographic~~ land survey map prepared in accordance with ALTA-ACSM standards and the HUD Surveyor's Report showing the location on the site of all improvements constructed thereon, and showing the location of all water, sewer, gas and electric lines and mains, and of all existing utility easements. Such survey map shall be prepared by a licensed surveyor who shall certify that the ~~work~~Work is installed and erected entirely upon the land covered by the Security Instrument and within any building restriction lines on said land, and does not overhang or otherwise encroach upon any easement or right-of-way of others. Such survey shall be accompanied by a Surveyor's Report in the form required by HUD. To the extent such data shows that the Contractor has deviated from the Plans and Specifications, Contractor shall be responsible, at its own expense, for correcting any such deviations- In addition, Contractor shall furnish additional surveys when Owner so requires, for any improvements, including structures and utilities not theretofore located on a survey.

D. Contractor shall assume full responsibility for the maintenance of all landscaping that may be required by the Drawings and Specifications until such time as both parties to this Contract shall receive written notice from HUD that such landscaping has been finally completed. Owner hereby agrees to make available to the Contractor, for such purpose, without cost to the latter, such facilities as water, hose and sprinkler.

E. Contractor shall establish an escrow in an amount satisfactory to Lender and HUD for any ~~work~~Work items that are incomplete at the time of ~~Final Closing~~final endorsement.

Article 8: Assurance of Completion

Contractor shall furnish to Owner assurance of completion of the ~~work~~Work in the form of- (specify) _____
_____. Such assurance of completion shall run to Owner and Lender as obligees and shall contain a provision whereby the surety agrees that any claim or right of action that either Owner or Lender might have thereunder may be assigned to HUD.

Article 9: Waiver of Lien or Claim

A. In jurisdictions where permitted by law, Contractor shall not file a mechanic's or materialman's lien or maintain any claim against Owner's Land or Improvements for or on account of any ~~work~~Work done, labor performed or materials furnished under this Contract, and shall include in each subcontract a clause which shall impose this requirement on the subcontractor.

B. In jurisdictions where permitted by law, Owner may require Contractor to execute a ~~Waiver~~~~waiver~~ of ~~Liens~~~~liens~~ that shall be recorded prior to the commencement of construction. Contractor for itself, subcontractors, suppliers, materialmen, and all persons acting through or under it, agrees not to file or maintain mechanics' lien or claim against the property described herein, on account of ~~work~~~~Work~~ done, labor performed or materials provided by them.

Article 10: Right of Entry ~~and Interpretation of Contract Documents~~

A. At all times during construction, HUD, Lender, and their agents or assigns shall have the right of entry and free access to the Project and the right to inspect all ~~work~~~~Work~~ done and materials, equipment and fixtures furnished, installed or stored in and about the ~~project~~~~Project~~. For such purpose, Contractor shall furnish such enclosed working space as Lender or HUD may require and find acceptable as to location, size, accommodations and furnishings.

~~B. HUD shall have the right to interpret the Contract Documents and to determine compliance therewith.~~

Article 11: Assignments, Subcontracts and Termination

A. This Contract shall not be assigned by either party without the prior written consent of the other party, Lender and HUD, except that Owner may assign this Contract, or any rights hereunder, to Lender or HUD.

B. Contractor shall not subcontract all of the ~~work~~~~Work~~ to be performed hereunder without the prior written consent of Owner, Lender and HUD.

C. Upon request by Owner, Lender or HUD, Contractor shall disclose the names of all persons with whom it has contracted or will contract with respect to ~~work~~~~Work~~ to be done and materials and equipment to be furnished hereunder.

D. Contractor understands that the ~~work~~~~Work~~ under this Contract is to be financed by a building ~~Loan~~~~loan~~ to be secured by a Security Instrument and insured by HUD, and that the terms of said Loan are set forth in a Building Loan Agreement between Owner as Borrower and _____ as Lender.

E. Contractor further understands that said Building Loan Agreement provides that, in the event of the failure of Owner to perform its obligations to Lender thereunder, Lender may, as attorney-in-fact for Owner, undertake the completion of the Project in accordance with this Contract. In the event Lender elects not to undertake such completion, ~~the Contractor's obligations under~~ this Contract shall terminate pursuant to AIA Document A201 § 14.2 in the case of termination for cause, or AIA Document A201 § 14.4 in the case of termination for convenience.

Article 12: Roles of HUD and Lender

HUD is the insurer of Lender's Loan made to finance the construction identified herein, pursuant to the Building Loan Agreement. Nothing provided herein, no action or inaction of the parties to this Contract, or actions or inaction by any third parties, shall

impute to HUD or Lender status as a party to this Agreement; HUD and Lender have no liability to Contractor or Owner under the Contract Documents.

[Option 1] Article 13: Certification of Actual Cost -- Cost Plus Contract

A. The “**Actual Cost of Construction**” shall include all items of cost and expense incurred by Contractor in the performance of this Contract ~~and shall include an allowance for general overhead in the amount set forth in HUD-92328.~~ Allowable items of cost and expense incurred by Contractor in the performance of this Contract shall include costs and expenses of labor, materials for construction, equipment and fixtures, field engineering, sales taxes, workmen’s compensation insurance, social security, public liability insurance, general requirements and all other expenses directly connected with construction. The value of any kickbacks, rebates or discounts received or receivable in connection with the construction of the Project shall be subtracted from all items of cost and expense. Any cost or expense attributable to maintaining Contractor’s working capital is not to be included within the Actual Cost of Construction.

B. Contractor shall keep accurate records of account of the Actual Cost of Construction, and shall, upon demand, make such records and invoices, receipts, subcontracts and other information pertaining to the construction of the Project available for inspection by Owner, Lender and HUD.

C. With its final application for payment, Contractor shall furnish to Owner a completed “**Contractor’s Certificate of Actual Cost**” that shall be accompanied and supported by an independent public accountant’s or independent certified public accountant’s certificate as to actual cost in form acceptable to HUD.

D. Contractor shall include in all subcontracts, equipment leases and purchase orders a provision requiring the subcontractor, equipment lessor or supplier to certify its costs incurred in connection with the Project, in the event HUD determines there is an Identity of Interest between either Owner or Contractor and any such subcontractor, equipment lessor or supplier.

[Option 2] Article 13A13: Cost Certification -- Lump Sum Contract

In the event HUD determines that there is an Identity of Interest between Contractor and Owner, Contractor shall certify, on a form prescribed by HUD, its cost incurred in the performance of the workWork under this Contract.

Article 14: Designation of Representatives

A. Owner hereby designates _____ as its representative for all communications involving workWork performed pursuant to this ~~Agreement~~Contract.

B. Contractor hereby designates _____ as its representative for all communications involving workWork to be performed pursuant to this Agreement~~Contract~~.

Article 15: Headings and Titles

Any heading, section title, paragraph or part of this Agreement is intended for convenience only, and is not intended, and shall not be construed, to enlarge, restrict, limit or ~~effect~~affect in any way the construction, meaning, or application of the provisions thereunder, or under any other heading or title.

Article 16: Severability

The invalidity of any provision of this Contract shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect.

